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Paul Martin  
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Dear Paul,

**BCSC response to CLG Consultation on Community Infrastructure Levy (CIL) Regulations**

BCSC welcomes the Government Consultation on the detailed proposals and draft regulations for the introduction of the Community Infrastructure Levy (CIL).

BCSC represents businesses operating in the retail property sector. Our membership is a broad church of nearly 3,000 property professionals including owners, developers, retailers, surveyors, architects and public sector managers.

Having consulted with our members, we strongly believe that now is not an appropriate time to introduce the CIL.

During the last 12 months, we have seen a radical change in the fortunes of retail led development. The stark consequences of the UK banking crisis, combined with falling capital values and consumer demand has had a profound effect. Add to this the reluctance of banks to provide loan facilities to commercial property, and in particular, development, and we have the recipe for stagnation. Our research shows that virtually all development that is not under construction at present is unlikely to be delivered for several years.

To introduce a development levy at this stage will have the impact of further reducing the viability of potential projects. This will impact hugely on the Government's objective of delivering regeneration throughout the regions, with all the associated negative consequences for employment during the development phase, and job, training and housing creation upon completion and in use.

Timing aside, our members believe that there are a number of additional concerns that still exist in the current drafting of the regulations. There is a lack of clarity how, when and if Section 106 will be scaled back. There is also industry concern about the inflexible nature of the regulations to allow “payment in kind”. On this point, we urge you to recognise that there would be economies of scale to allow for the developer to “build” (for example) the school rather than pay the local authority to do so. In addition we would like to see guidance on how the various financial instruments which local authorities are being given to drive infrastructure and economic development, i.e. CIL and Business Rate Supplements (BRS), are interrelated and critically how local authorities are going to be provided with the necessary guidance and support they need to ensure that implementation of these powers does not ultimately stifle future development activity.

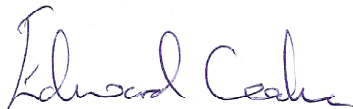
BCSC would like to see Government establish clear mechanisms of hypothecation on both (any future) CIL and Business Rates to ensure that the levy directly and transparently funds local infrastructure.

Finally, we are concerned that the CIL will be applied on the basis of the scale of the development, rather than on the impact that it may have on existing infrastructure. This could provide a further barrier to sway a decision against renewal and regeneration.

For example, our members may seek to demolish an existing shopping centre and rebuild one in its place. There is also a common mix of partial redevelopment alongside partial refurbishment. Such projects should not be subject to the tariff as if they were whole new developments, placing entirely new demands on existing infrastructure. It would be far fairer to look at the added burden on infrastructure, created by the extra floor space. We would recommend that this anomaly is removed from the regulations prior to any implementation.

If you would like to receive any further information at this time, please feel free to contact me.

Yours sincerely,



**Edward Cooke**  
**Executive Director**  
**BCSC**