



## Supporting housing delivery through developer contributions – Reforming developer contributions to affordable housing and infrastructure

Joint Consultation response by the Charities' Property Association, Churches' Legislation Advisory Service and Charity Tax Group

10 May 2018

### Who we are

1. The **Charities' Property Association (CPA)** represents charities which own and manage properties as investments. We focus on charities that hold land to sustain their charitable purposes, which includes environmental protection, planning, taxation and conservation. We represent almost 100 charities with significant property portfolios, including charitable housing trusts, Oxford and Cambridge colleges, Anglican cathedrals and independent schools.
2. The **Churches' Legislation Advisory Service (CLAS)** is an ecumenical charity that brings together all the major Churches in the United Kingdom (and, because the umbrella ecumenical bodies are members, many of the smaller Churches as well), together with the United Synagogue. Though it is a body composed of religious organisations its focus is not "religious" as such; rather, its primary purpose is to represent to Government its members' views on issues of secular law as they affect their interests.
3. The **Charity Tax Group (CTG)** has over 500 members of all sizes representing all types of charitable activity. It was established in 1982 to make representations to Government on charity taxation and it has since become the leading voice for the sector on this issue.
4. CPA, CLAS and CTG represent charities with property interests but do not own or manage any properties of its own. As a result, we are not in a position to answer many of the questions in the consultation document about the practical application of the Community Infrastructure Levy (CIL), although our members may respond individually to provide their feedback.
5. However, we would like to take this opportunity to make some more general points about CIL, particularly in respect of the importance of the charity exemption.

### Our comments on the proposals

6. Charities benefit from mandatory and discretionary relief from CIL, following a successful campaign by several charity representative bodies, including CPA, CLAS and CTG, when the Planning Act 2008 was introduced. Mandatory charitable relief is available where the development is to be used wholly or mainly for a charitable purpose of the charity in question, or of that charity and other charities. This is an important relief for charities and reflects the fact that charities already make significant contributions to the health of the local community.

7. Our members expressed serious concerns in February 2017 when the independent CIL Review recommended replacing CIL with a new system of tariffs including “no or very few exemptions”, with no explicit reference to protecting charities. Our representations following the publication of the report highlighted the importance of this relief and made clear that charities should not be penalised because CIL has not generated the anticipated financial returns for local authorities. We argued that the rationale for a charity exemption remains valid and that charities should not be taxed for development of land for charitable purposes (including social housing) or when leasing land to other charities.
8. We were therefore very encouraged by the announcement in Autumn Budget 2017 that, rather than replacing the CIL regime wholesale, the Government would consult on proposals to give Local Planning Authorities (LPAs) more flexibility in their approach to CIL, while enabling combined or joint authorities to set up a complementary Strategic Infrastructure Tariff (SIT). We are reassured by the commitment that any SITs would also include the same exemptions and reliefs as set out in the CIL Regulations (2010) (as amended), which we understand means that there would be equivalent reliefs for charities.
9. We should be grateful for explicit confirmation in the Government response to the consultation that the charity exemption has been protected and will be maintained for any complementary or successor tariffs.
10. If you require any additional information, please contact the CPA Secretariat on 02072221265 or [info@charity-property.org.uk](mailto:info@charity-property.org.uk).

**CPA**

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