

### INSTRUMENT NAME: 1.3 BETTERMENT LEVIES

**Pondscape-specific definition:** A compulsory tax or fee levied by local government on land that has gained in value due to the development of public infrastructure (including NbS such as ponds), paid by landowners.

<b>CATEGORY</b>	Income instruments			
<b>ALSO-KNOWN-AS</b>	Betterment charges; special assessment districts			
<b>RELATED INSTRUMENTS</b>	Business improvement district; Developer contributions and charges; Voluntary beneficiary contributions			
<b>APPROPRIATE FOR:</b> Who can use this type of financing instrument?	Pondscape developer	NGOs and non-profits	<b>Local/city/regional govt. and agencies</b>	National govt. and public agencies
<b>SOURCE OF FINANCE:</b> Who provides the finance?	Private: Landowners			
<b>PAYMENT FORM:</b> What form is the payment?	Fee, tax on the value of property.			
<b>IN RETURN FOR WHAT?</b> What is the NBS project obliged to deliver in return?	Increasing land values (implicitly due to ecosystem-service provision). Ecosystem-service provision:			
<b>RECIPIENT REQUIREMENTS:</b> What requirements must recipients meet to receive finance?	Local/regional/city government with the ability to levy local landowners			
<b>PROJECT REQUIREMENTS:</b> What requirements must the pondscape project meet?	<ul style="list-style-type: none"> <li>-The project must lead to significant increases in land values for new and existing properties in the area where the betterment level applies.</li> <li>-Accordingly, most appropriate for large developments that are attractive to property buyers (e.g. recreation opportunities, restoration of unattractive sites).</li> </ul>			
<b>OTHER REQUIREMENTS:</b> What additional requirements are attached to the financing?	<ul style="list-style-type: none"> <li>• Need to measure the 'amount of value uplift' that is attributable to the project/public investment (i.e. the value of the gains received by beneficiaries due to the intervention must be established). This is required to be able to set the levy.</li> <li>• Should consider whether there are negative financial consequences for landowners with limited cashflow, to ensure that the betterment levies do not push low-income groups out of neighbourhoods.</li> <li>• Due to relatively high costs of implementing (transaction costs), most appropriate for high value projects.</li> </ul>			
<b>SPEED:</b> How quickly do recipients receive money?	Fast (<4months) – Medium(5-12months) – <b>Slow (12months+)</b>			
<b>FUNDING TIMELINE:</b> When does the recipient receive the funding?	Ongoing: Betterment levies are paid as an additional property tax.			
<b>NBS TYPE:</b> What types of NBS is the financing for?	<b>Creation</b>		<b>Restoration</b>	<b>Management</b>
<b>SCALES:</b> What scale of financing?	<b>Small (&lt;€10k)</b>	<b>Medium (€10k-€99k)</b>	<b>Large (€100k-€999k)</b>	<b>Very large (€1million+)</b>
<b>COMPLEXITY:</b> How complex is applying for the finance	<b>Simple</b>		<b>Medium</b>	<b>Complex</b>
<b>EXIST NOW IN EU?</b>	<b>Yes</b>			<b>No</b>
<b>REFERENCES:</b>	World Bank (2015) Urban regeneration – betterment levies. <a href="https://urban-regeneration.worldbank.org/node/15">https://urban-regeneration.worldbank.org/node/15</a> . Accessed 16.12.2021			





### Instrument: 1.3 Betterment Levy

#### Example name: 1.3.1 Funding of Wimbledon and Putney commons

**Example description:** The Wimbledon and Putney commons are large park landscapes which provide urban recreational areas and biodiversity benefits. The commons are partly funded by levies, which owners of properties in geographic proximity must pay on a yearly basis.

NBS DESCRIPTION	
LOCATION	London, UK
NBS TYPE	Creation      Restoration      Management
ECOSYSTEM TYPE	Park landscape, including nine ponds
NBS BENEFITS	Biodiversity; Recreation and well-being
NBS DESCRIPTION	The Wimbledon and Putney commons are large and diverse park landscapes, which serve as an urban recreational area.
SCALE (SIZE)	460 hectares
NBS PERFORMANCE CRITERIA	The yearly monitoring reports of the commons list a number of indicators, including biological, hydrological, and environmental data.
NBS PERFORMANCE	N/A
FINANCING DESCRIPTION	
SOURCE OF FINANCING	Private property owners sited within in a defined geographic proximity to the commons.
RECIPIENT	The board of Conservators (three appointed individuals by the government and five elected the levy payers), who direct the spending.
SCALE (FINANCING)	Levies from 46.000 household reached 966.124£ in 2013/14
TIMELINE	Ongoing. Levies are paid annually since 1990.
FINANCING REQUIREMENTS	The proximity of the commons must increase the property value to legitimate the levy. The levy is calculated based on property value and the ratio of high value properties in the area.
FINANCING PERFORMANCE	The performance of the levy is considered to be successful, as the levy has been raising substantial funds for about 30 years. Levies are considered to be fairer compared to a general tax increase, as the beneficiaries contribute more.
TRANSACTION COSTS	N/A
REFERENCE	Drayson, K. (2014). Green society: Policies to improve the UK's urban green spaces. London: Policy Exchange. Available at: <a href="https://policyexchange.org.uk/wp-content/uploads/2016/09/green-society.pdf">https://policyexchange.org.uk/wp-content/uploads/2016/09/green-society.pdf</a>

