

PLANNING FOR THE FUTURE

White Paper August 2020



‘Planning for the Future’ White Paper

Proposals for planning obligations – the new ‘Infrastructure Levy’

Presentation from Laurence Martindale, MHCLG

The 'three pillars' of planning reform

- Pillar one: planning for development
- Pillar two: planning for beautiful and sustainable places
- Pillar three: planning for infrastructure and connected places

Pillar Three: Planning for Infrastructure

- Why introduce a new Infrastructure Levy?
 - The current system is uncertain, opaque, causes delay, favours major developers, can be inflexible in the face of changing market conditions
- What is the purpose of the new Levy?
 - raise more revenue
 - deliver at least as much – if not more – on-site affordable housing as at present.
 - And it will be:
 - Responsive to local need
 - Transparent to communities
 - Consistent and simplified
 - Buoyant, so when house prices rise communities get more



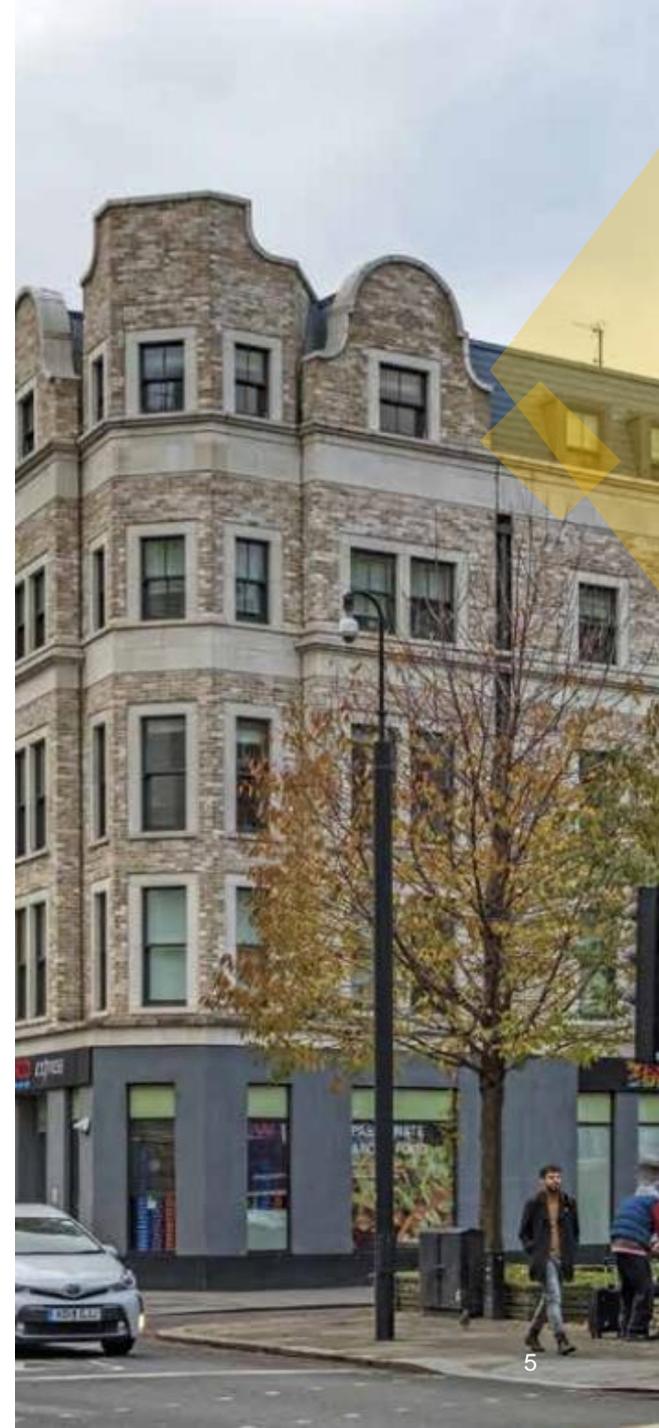
How will the new Infrastructure Levy work?

- A new flat-rate charge, based on the final value of development
- Include a value-based minimum threshold, below which the Levy will not be charged
- Set nationally? Or regionally? Or locally? But locally collected and spent
- Retain the principles of a Mayoral element in London, and in Mayoral Combined Authorities
- Charged on a wider range of development, including permitted development
- Allows borrowing against future Infrastructure Levy receipts
- Secures affordable housing – for instance, through in-kind payments
- More freedom for local authorities on spending?



Today's themes

- We'll cover two themes today in our break-out sessions:
 1. How will the new Levy be collected?
 - Including questions on the core principles e.g. national or local, the minimum threshold, what it is charged on, MCIL etc.
 2. How will LAs use the new Levy?
 - Including questions on borrowing, in-kind delivery of infrastructure and affordable housing, giving local authorities more freedom to spend etc.
- But first, we'll take **20** minutes for any questions you have on the principles of the proposed Infrastructure Levy, and how it could work?



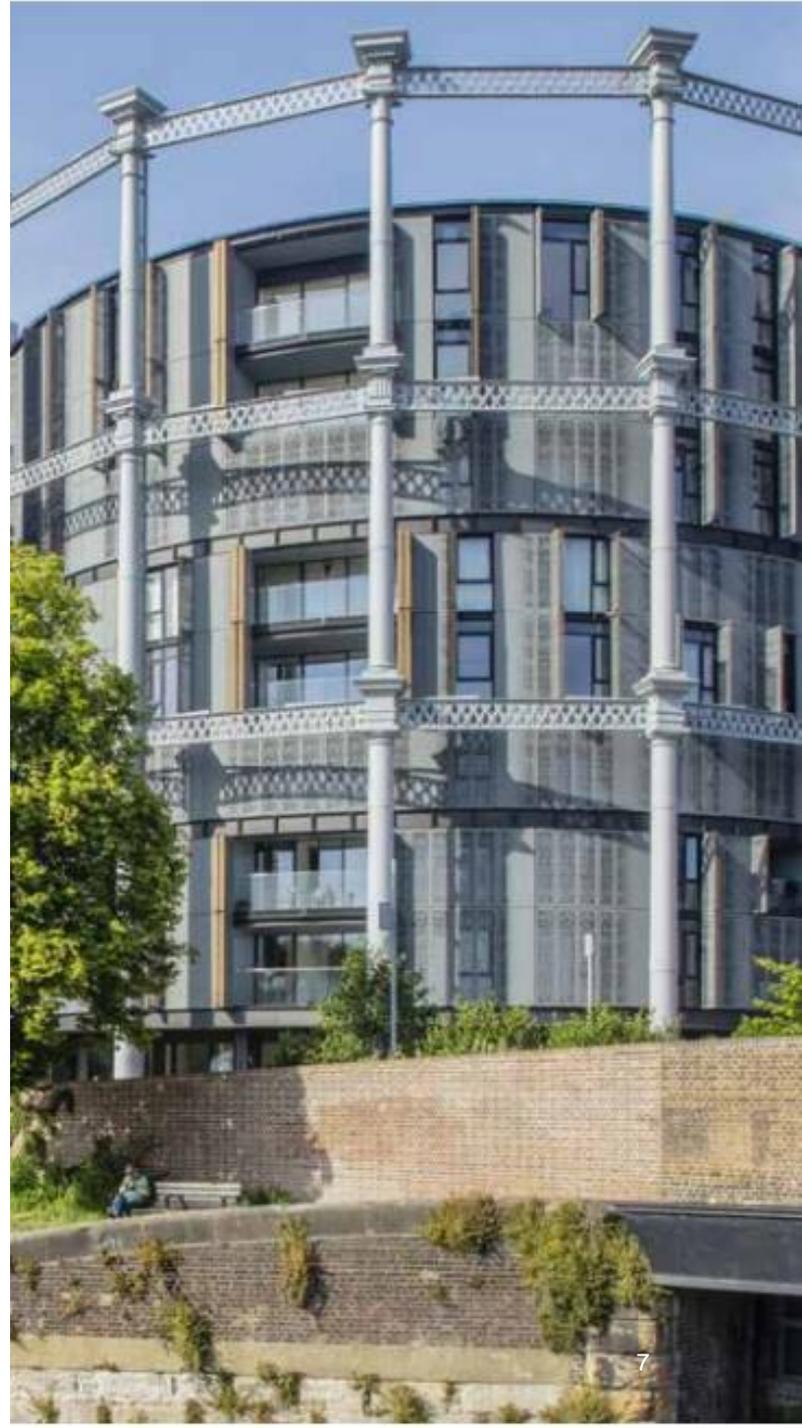


Q&A

20 minutes

Theme One: collecting the Levy

- Principles and trade-offs:
 - Should we capture more value?
 - Mandatory or voluntary?
 - National, regional or local – single rate or area specific rate?
 - Charging on PDRs
 - Charging on development other than housing
 - Locally collected
- Mechanism:
 - Charged on sales values/valuations
 - Minimum threshold
 - Non-negotiable
 - In-kind delivery
- Mayoral Levy/Combined Authorities





Break

- We'll return at x
- Please dial back into the main group (rather than your breakout group)

Theme Two: using the Levy

- Affordable housing delivery: maintaining delivery
 - Delivery in-kind
 - 'Right to buy'
 - Ensuring quality
- Delivering infrastructure:
 - Borrowing
 - Delivery in-kind
 - Mitigating impacts of development
 - Securing non-financial obligations
- Managing risk – for developers and local authorities
- Spending locally:
 - Neighbourhood share
 - Increased flexibility for local authorities?



Wash-up

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