

RTPI response to the DLUHC consultation ‘Technical consultation on the Infrastructure Levy’

June 2023

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General comments

These proposals intend to create a system of planning gain that is simpler and provides more certainty and security to developers and LPAs than the current case-by-case, discretionary approach, which relies on a combination of CIL and S106.

Initial suggestions of a national one-size-fits-all approach have constructively evolved into one which is highly variable and enables LPAs to respond to local conditions through adjustable levy rates built on local analyses. As the academic analysis commissioned by the government points out, having this flexibility is crucial for the system to work effectively. Local market conditions vary hugely, as do types of development and infrastructure needs. Levies need to account for all of this.

However, in carving out the space for this local discretion within a system designed to be more predictable, **DLUHC are proposing something that is both more complex and more resource-intensive than the current system.**

We are concerned that:

- LPAs have no security that their receipts will increase under IL and may be exposed to undue risk by delays in payments and borrowing against them;
- The analysis LPAs would have to conduct to introduce IL charging schedules would be unreasonably costly and burdensome, particularly for the 50% that have not yet introduced CIL;
- Infrastructure Delivery Strategies may duplicate extensive work which has gone into local plans, which should already include local policy and direction on infrastructure as well as housing;



- Little direction is given about how sites spanning multiple rates would be taxed and how rates and thresholds would support appropriate land assembly; and
- The capacity, skills and resourcing issues facing LPAs will make it difficult for them to deliver additional infrastructure secured through the levy or to manage their provision effectively and efficiently.

In practice this proposal is unlikely to deliver the benefits of a simpler, more certain system (for developers or LPAs) and could be more resource-intensive and less flexible than existing mechanisms for securing developer contributions.

Note to readers on questions and answers

For the multiple choice questions below the RTPI's preference is indicated by it being underlined.

Questions and answers

Question 1: Do you agree that the existing CIL definition of 'development' should be maintained under the Infrastructure Levy, with the following excluded from the definition:

- developments of less than 100 square metres (unless this consists of one or more dwellings and does not meet the self-build criteria) – Yes/No/Unsure
- Buildings which people do not normally go into - Yes/No/Unsure
- Buildings into which peoples go only intermittently for the purpose of inspecting or maintaining fixed plant or machinery - Yes/No/Unsure
- Structures which are not buildings, such as pylons and wind turbines. Yes/No/Unsure

Please provide a free text response to explain your answer where necessary.

We agree with the continuing the existing definitions of 'development' from the CIL.

Question 2: Do you agree that developers should continue to provide certain kinds of infrastructure, including infrastructure that is incorporated into the design of the site, outside of the Infrastructure Levy?

[Yes/No/Unsure]. Please provide a free text response to explain your answer where necessary.

Yes, if required, developers should continue to provide infrastructure outside of the infrastructure levy. The specific details of this answer are reliant upon our answer to question 3 and how we would like to see 'integral' infrastructure defined. Infrastructure delivery is a core pillar of the development of new sites and the regeneration of existing sites and must be done in unison with housebuilding and other forms of development.

Question 3: What should be the approach for setting the distinction between integral and Levy-funded infrastructure? [see para 1.28 for options a), b), or c) or a combination of these].

Please provide a free text response to explain your answer, using case study examples if possible.

The RTPI supports option A above all other options because it recognises the core characteristics and principles of integral infrastructure whilst not being a prescriptive list for LPAs. Option A is instead built around the principles outlined in the consultation document and allows LPAs to deliver the infrastructure that their communities need rather than having their needs prescribed to them from a national level.

The principles help to establish a degree of security for what kinds of infrastructure would be considered “integral” whilst creating flexibility for LPAs upon each development. Option A would also allow for amendments to be quickly made during the ‘test and learn’ process to reflect the changing needs of communities.

Option B does not provide the flexibility for LPAs to deliver infrastructure that is integral to their own communities. A national list of what is and isn’t ‘integral’ is too prescriptive and doesn’t allow for the differences between communities and their needs.

Option C does create the opportunity for LPAs to tailor IL to the different needs of their communities, however by creating local principles and typologies, LPAs will have to take on a significant workload in a time where their funding is already under significant stress. We cannot support this increased workload without any additional funding or greater security over the increased receipts from IL.

Question 4: Do you agree that LPAs should have the flexibility to use some of their levy funding for non-infrastructure items such as service provision?

[Yes/No/Unsure] Please provide a free text response to explain your answer where necessary.

The RTPI believes strongly that all receipts raised from IL should only be spent upon infrastructure provision. Current government policy requires planners to drive local responses to the housing crisis, climate change and the levelling up agenda. However, they will be less able to contribute across these agendas without the ability to reinvest the money our planning system generates into infrastructure that achieves these goals.

IL should not be used as a solution to shortfalls in other budgets which should receive investment outside of the Levy to ensure that communities are sufficiently supported.

Focusing Levy funding on infrastructure and affordable housing would help in increasing public acceptance of new development as the additional infrastructure should limit the burden on existing infrastructure. It is our view that the Levy must be seen to deliver essential infrastructure and other planning gain for communities.

Question 5: Should LPAs be expected to prioritise infrastructure and affordable housing needs before using the Levy to pay for non-infrastructure items such as local services? [Yes/No/Unsure]. Should expectations be set through regulations or policy?

Please provide a free text response to explain your answer where necessary.

Following on from our answer to Q4, the RTPI strongly believes that infrastructure and affordable housing should be the only things that IL receipts are spent upon. The funds raised from IL should be ringfenced and reinvested into place-making through infrastructure and affordable housing.

Question 6: Are there other non-infrastructure items not mentioned in this document that this element of the Levy funds could be spent on?

[Yes/No/Unsure] Please provide a free text response to explain your answer where necessary.

In accordance with our answers to Q4 and Q5, the RTPI would like to see all funds raised by IL to be ringfenced and only spent on infrastructure and affordable housing.

Question 7: Do you have a favoured approach for setting the ‘infrastructure in-kind’ threshold?

[high threshold/medium threshold/low threshold/local authority discretion/none of the above]. Please provide a free text response to explain your answer, using case study examples if possible.

The RTPI would favour a local authority discretion approach for ‘infrastructure in-kind’. The high and medium thresholds are far too high and would capture very few developments. Whilst the low threshold is too low to encompass a school, existing schemes of 500+ homes have provided infrastructure in-kind and have benefited from this.

Whilst smaller schemes, e.g., 500+ homes, may not require an additional school they will undoubtedly require infrastructure to allow their communities to live sustainably within them and to ensure that new developments were in the public interest. If the government were to set a national limit, these types of schemes would not have infrastructure delivered in time to ensure that the needs of communities can be met, irrespective of the size of developments.

In contrast, the option of LPA discretion would help to provide flexibility for communities and their needs. Guidance should be provided to LPAs in working out their threshold and ensure that new developments work for their communities.

Question 8: Is there anything else you feel the government should consider in defining the use of s106 within the three routeways, including the role of delivery agreements to secure matters that cannot be secured via a planning condition?

Please provide a free text response to explain your answer.

The government should be clear that S106 is more than a money-securing agreement. It helps to guide development, deals with land ownership/transfers, ongoing obligations and many other critical steps in and aspects of the planning and development process.

Question 9: Do you agree that the Levy should capture value uplift associated with permitted development rights that create new dwellings? [Yes/No/Unsure]. Are there some types of permitted development where no Levy should be charged? [Yes/No/Unsure].

Please provide a free text response to explain your answer where necessary.

The RTPI supports the proposal for the Levy to capture value uplift associated with permitted development rights and agrees that permitted development projects that create new homes should be charged. The RTPI has shared concerns regarding the use of permitted development rights in creating new homes and their effect on local services. As a consequence of this, we support the charging of permitted development rights projects in order to raise funds for infrastructure provision to help mitigate the potential negative effects of projects.

Many permitted development rights projects can also be very large and will subsequently need the provision of infrastructure alongside these projects. This provision of infrastructure would also help to reduce local opposition to new housing and help shape these communities for the better. Without the inclusion of a Levy on permitted development right projects, thousands of homes could be built without the infrastructure to support them.

Question 10: Do you have views on the proposal to bring schemes brought forward through permitted development rights within scope of the Levy? Do you have views on an appropriate value threshold for qualifying permitted development? Do you have views on an appropriate Levy rate ‘ceiling’ for such sites, and how that might be decided?

As outlined in our response to Q9, whilst the RTPI has shared concerns on the use of Permitted Development Rights to deliver new homes, we would support the charging of the Levy on these projects in order to fund the infrastructure that these projects can sometimes replace.

Question 11: Is there is a case for additional offsets from the Levy, beyond those identified in the paragraphs above to facilitate marginal brownfield development coming forward

[Yes/No/Unsure]. Please provide a free text response to explain your answer where necessary, using case studies if possible.

The RTPI supports the incentivisation of brownfield development, however believes that this is already accounted for through the setting of different levy rates for different typologies. Consequently, this wouldn't need to be done through additional offsets to the Levy.

Furthermore, the research commissioned by the government to support this consultation, '[Exploring the potential effects of the proposed Infrastructure Levy](#)', suggests that the 'window' of possible rates for brownfield developments is extremely small. Any further discount would result in the Levy essentially being zero in these places (which is not viable given that the vast majority of developments need to be brought forwards with supporting infrastructure for them to be socially and environmentally sustainable).

Brownfield development was outlined in the recent NPPF as a priority for the future, however we would question the supply of appropriate brownfield sites throughout the country that are appropriate for new housing and the subsequent effectiveness of these offsets to the Levy.

Whilst the move to offer additional offsets is positive in theory, we are not sure that its effect will be that strong and offer much change from the current system.

Question 12: The government wants the Infrastructure Levy to collect more than the existing system, whilst minimising the impact on viability. How strongly do you agree that the following components of Levy design will help achieve these aims?

- Charging the Levy on final sale GDV of a scheme [**Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure**]
- The use of different Levy rates and minimum thresholds on different development uses and typologies [**Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure**]
- Ability for LPAs to set 'stepped' Levy rates [**Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure**]
- Separate Levy rates for thresholds for existing floorspace that is subject to change of use, and floorspace that is demolished and replaced [**Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure**]

Question 13: Please provide a free text response to explain your answers above where necessary.

The RTPI supports the principle of increasing yield by charging GDV at the point of completion. If the value were to increase, then LPAs would receive larger Levy payments which could in turn help to deliver high quality infrastructure.

However, we are concerned about the potential of charging the Levy on the final sale GDV leaving LPAs open to the danger of the value of developments falling between the start and completion. Leaving LPAs reliant on the market is a significant risk for a core element of their infrastructure funding.

We also believe that if LPAs begin to set their own rates then they must also set different rates for typologies and development uses in order to represent the opportunities across their communities. There is currently little understanding of how projects that go across typologies or LPA boundaries will work, which causes some concern. We also believe that if LPAs begin to set their own rates, then they must also set different rates for typologies and development uses in order to represent the opportunities across their communities. There is currently little understanding of how projects that go across typologies or LPA boundaries will work which causes some concern.

There will also be a number of challenges for developers in dealing with varying rates not only across LPAs but also within them. This will most affect SME builders, who may not have the capacity to undertake various viability assessments in line with the different Levy rates.

LPAs will need further guidance, training and support on setting these additional rates and this will be most important for those that had not previously used CIL, as these authorities will lack the experience and evidence needed to develop schedules. At present, LPAs may set two or three rates via CIL, while managing S106 agreements. However, under the IL, LPAs are likely to have several rates.

These will need to be clearly set out in schedules, linked to local plans, fully consulted on, and be robust enough to pass examination in public. The Levy rates will be set by the charging authority and will be subject to both consultation and public examination. This will be a significant undertaking for LPAs and will place a significant emphasis upon effective community engagement alongside the resourcing of local planning teams

The report commissioned by DLUHC to accompany this consultation, 'Exploring the potential effects of the proposed Infrastructure Levy', stated that:

"..in all case study LPAs, both CIL and non-CIL charging, it was clear that LPAs would need very clear guidance about the process by which the IL and the minimum threshold should be set."

Whilst we support the setting of different rates, the complexity of this and how they interact must be examined closely during the 'test and learn' process to ensure that LPAs can optimise their receipts and deliver the development they require.

Overall, whilst the RTPI strongly supports the goal of increasing receipts, we are concerned that these proposals land at an awkward halfway house. They would create a system that is more complex and resource-intensive than the current system, while providing few guarantees that it would generate better outcomes.

We question whether the different rates set within and across LPAs, and the amount they raise, will outweigh the substantial workload that will go into setting and understanding them, for LPAs and developers alike. We expect this challenge to be felt most acutely in areas with low land value of predominantly brownfield land available for development.

Question 14: Do you agree that the process outlined in Table 3 is an effective way of calculating and paying the levy?

[Yes/No/Unsure] Please provide a free text response to explain your answer where necessary.

The process outlined in Table 3 creates a number of additional challenges for both LPAs and developers. The process entails a huge amount of additional valuation and administration. It is currently unclear who will bear these costs and whether they have been factored in.

Whilst CIL had liabilities set at the point of planning permission, the Levy liability is likely to be based on GDV at completion. However, this approach doesn't seem to be practical or the likely outcome as estimations of liability will need to be made earlier in the development process because of the intention to register liability as a local land charge. The calculation for these liabilities will be complex for all projects and especially so for mixed use schemes.

Furthermore, a large provisional or interim payment before the occupation of a scheme with the final payment being made upon completion could create significant cash flow problems for developers and disincentivise development. This effect will be most significant for SMEs, who may be unable to burden the payments and associated cash flow risks.

Question 15: Is there an alternative payment mechanism that would be more suitable for the Infrastructure Levy?

[Yes/No/Unsure] Please provide a free text response to explain your answer where necessary.

No comment.

Question 16: Do you agree with the proposed application of a land charge at commencement of development and removal of a local land charge once the provisional levy payment is made?

[Yes/No/Unsure] Please provide a free text response to explain your answer where necessary

No comment.

Question 17: Will removal of the local land charge at the point the provisional Levy liability is paid prevent avoidance of Infrastructure Levy payments?

[Strongly Agree/Agree/Neutral/Disagree/ Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary.

No comment.



Question 18: To what extent do you agree that a local authority should be able to require that payment of the Levy (or a proportion of the Levy liability) is made prior to site completion?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure]. Please explain your answer.

The RTPI supports the idea of an LPA being able to require payment of the Levy prior to the site completion. In many cases, for infrastructure to be delivered in time for the occupiers to move in, a local authority may need to use Levy receipts prior to completion. This is already the case for S106, albeit the phasing of occupations must be considered carefully.

A ‘test and learn’ process should be used to understand and address the effects of this. LPAs who request early payment should also have to forego any uplift in GDV from the assumed pre-payment in order to counteract cashflow problems for developers.

Question 19: Are there circumstances when a local authority should be able to require an early payment of the Levy or a proportion of the Levy?

Please provide a free text response to explain your where necessary.

The RTPI understands the potential positives for LPAs requesting an early payment on the Levy or a proportion of the Levy in order to help the delivery of infrastructure that will be required from the outset. The specific circumstances and infrastructure in question is highly dependent upon the answer to Q2 and how we define “integral” infrastructure.

This question also hinges upon the LPAs ability to resource or procure the delivery of the infrastructure. Currently many LPAs are under-resourced and underfunded and consequently cannot deliver the infrastructure funded by the early payment.

Furthermore, the requesting of early payments could create further cashflow problems for developers and especially SMEs. In our answer to question 14, we outlined the potential issues that the proposed plan for paying the Levy and the early payment would only exacerbate these.

Question 20: Do you agree that the proposed role for valuations of GDV is proportionate and necessary in the context of creating a Levy that is responsive to market conditions?

[Yes/No/Unsure]. Please provide a free text response to explain your answer where necessary.

Whilst the role of valuations for GDV will create challenges for the development industry and will perhaps require some adjustment to established practices for land purchase, if we are to operate within the parameters of IL then it is a necessary inclusion. Theoretically GDV should result in improvements to the system by yielding increases in infrastructure payments and greater priority for affordable housing delivery.

GDV valuation is where the main source of dispute will lie. The proposed IL essentially moves disputes over viability from a dispute over costs to a dispute over projected income. The test

and learn process will be critical in ensuring that any adverse effects of this process can be mitigated at the earliest possible stage.

Question 21: To what extent do you agree that the borrowing against Infrastructure Levy proceeds will be sufficient to ensure the timely delivery of infrastructure?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure]. Please provide a free text response to explain your answer where necessary.

Borrowing against Levy proceeds could be a positive move to allow for LPAs to deliver infrastructure early, however this is wholly reliant on the capacity of LPAs and their ability to hire developers or commit to delivering the development in question.

Furthermore, the idea of borrowing against Levy proceeds is prefixed on the value increasing or staying the same. If the value were to fall, then the LPA in question could have borrowed more than they generated. Consequently, whilst the idea of borrowing against the Levy could work, it creates a number of challenges and dangers to LPAs that concern us.

Finally, in recent months interest rates have increased drastically and borrowing represents a much greater risk to LPAs than it did in previous years. [Local Government debt increased](#) by 63.5% to £1.8bn from December 2021 to December 2022 and consequently the potential for LPAs to borrow against a potentially changing GDV represents a serious risk to their funding in the future.

Therefore, whilst the idea of borrowing against Levy proceeds may work in theory, it creates significant risks for LPAs.

Question 22: To what extent do you agree that the government should look to go further, and enable specified upfront payments for items of infrastructure to be a condition for the granting of planning permission?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary.

Whilst the answer to this question is once again reliant on the issue of how we define “integral” infrastructure, the potential for upfront payments for critical infrastructure is a positive step. Infrastructure such as schools are often required during development and consequently gaining an upfront payment for a school would be positive in helping to begin construction whilst also minimising the risks associated with borrowing against the Levy.

The physical and social infrastructure to support new development should be in place to support the new residents. Otherwise, demand is added to already hard-pressed existing infrastructure, and unsustainable travel patterns crystalise.

The upfront payment would have to be balanced against the viability and deliverability of individual schemes in order to ensure that there are no adverse effects upon developers or LPAs.

Following on from the question of borrowing against the Levy, there is still the concern over the LPAs capacity and ability to lead the development or hire developers to deliver this infrastructure. This is also again reliant on how we define integral however in some cases e.g., a school

Question 23: Are there other mechanisms for ensuring infrastructure is delivered in a timely fashion that the government should consider for the new Infrastructure Levy?

[Yes/No/Unsure] Please provide free text response to explain your answer where necessary.

The government should consider enabling planning authorities to strategically deliver infrastructure by capturing land value uplift. Elements of the German and French planning systems provide examples of suitable models for such an approach.

In Germany, planning authorities assemble land in mixed ownership, deliver necessary infrastructure and sell the land back to its original owners – except for the land required for public uses – at a price that covers the infrastructure costs and the value uplift generated by the land readjustment. In designated regeneration areas, planning authorities can acquire land at existing use value, install infrastructure and sell on to developers. This approach allows planning authorities to capture land values in order to strategically deliver infrastructure. New development that does not require public land assembly contributes directly towards planning authorities' infrastructure costs.

French planning authorities are similarly empowered to take a strategic coordinating role in infrastructure delivery by the Zone d'Aménagement Concertée (ZAC) model of development. Under the ZAC model, planning permission in high-demand areas is sold to developers at a price that covers infrastructure costs. In low-demand areas, the public sector provides an upfront investment in infrastructure that is eventually recovered when planning permission is granted.

Question 24: To what extent do you agree that the strategic spending plan included in the Infrastructure Delivery Strategy will provide transparency and certainty on how the Levy will be spent?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree] Please provide a free text response to explain your answer where necessary.

The RTPI agrees with the content of the strategic spending plan within the Infrastructure Delivery Strategy, however we question the need for this when a robust Local Plan should already include an Infrastructure Delivery Strategy.

Consequently, whilst the strategic spending plan will help to provide transparency and certainty around the Levy, we would rather see all of this incorporated into a comprehensive and robust Local Plan. This would streamline the work of the LPAs, whilst also reducing the level of bureaucracy that they have to handle in delivering infrastructure for their communities.

Not only would this streamline the process, but it would also provide greater certainty by having a single source of direction for developers, LPAs and communities. Having an Infrastructure Delivery Strategy alongside a Local Plan would presumably require communities to engage in two separate processes, reducing the scope of both consultations. Consequently, including the Infrastructure Delivery Strategy within the Local Plan would help to ensure that communities can engage with a single document and have their voices heard.

At a time when LPAs' resources and capacity are tight, making an Infrastructure Delivery Strategy mandatory instead of utilising Local Plans represents an inefficient expense for LPAs.

Question 25: In the context of a streamlined document, what information do you consider is required for a local authority to identify infrastructure needs?

There are a number of things that LPAs should consider when identifying infrastructure needs. The following should be included; however it is not a conclusive list:

- Population and projected population
- Demographics
- Existing and future infrastructure demand and capacity
- Carbon emission reduction targets
- Whole life carbon assessment
- Local climate change impacts
- Key stakeholders to contact

Question 26: Do you agree that views of the local community should be integrated into the drafting of an Infrastructure Delivery Strategy?

[Yes/No/Unsure] Please provide a free text response to explain your answer where necessary.

As we put forward in our answer to Q24, a well-made Local Plan would reflect the views of the local community whilst also integrating in the existing and future need for infrastructure. The NPPF was written in a way to help create a 'plan-led system' and infrastructure need and delivery should be outlined in the Local Plan, which communities have the opportunity to influence.

Question 27: Do you agree that a spending plan in the Infrastructure Delivery Strategy should include:

- Identification of general integral infrastructure requirements
- Identification of infrastructure/types of infrastructure that are to be funded by the Levy-
- Prioritisation of infrastructure and how the Levy will be spent
- Approach to affordable housing including right to require proportion and tenure mix
- Approach to any discretionary elements for the neighbourhood share

- Proportion for administration
- The anticipated borrowing that will be required to deliver infrastructure
- Other – please explain your answer
- All of the above

Question 28: How can we make sure that infrastructure providers such as county councils can effectively influence the identification of Levy priorities?

- Guidance to LPAs on which infrastructure providers need to be consulted, how to engage and when
- Support to county councils on working collaboratively with the local authority as to what can be funded through the Levy
- Use of other evidence documents when preparing the Infrastructure Delivery Strategy, such as Local Transport Plans and Local Education Strategies
- Guidance to LPAs on prioritisation of funding
- Implementation of statutory timescales for infrastructure providers to respond to local authority requests
- Other – please explain your answer

Question 29: To what extent do you agree that it is possible to identify infrastructure requirements at the local plan stage?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary.

As outlined in our answers to Q24 and Q26, we strongly believe that a Local Plan is best placed to identify and lay out the infrastructure requirements for an LPA. If Local Plans were to do this then there would be no need for a separate Infrastructure Delivery Strategy and LPAs would not have to replicate the same work.

This would require local plans to be reviewed regularly and to have overlaps between their lifetime and review stage like we suggested in our response to the NPPF consultation earlier this year.

Question 30: To what extent do you agree that the ‘right to require’ will reduce the risk that affordable housing contributions are negotiated down on viability grounds?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary.

Setting a firm ‘right to require’, ideally left to LPA discretion, would remove the need to negotiate the provision of affordable housing and consequently the potential for that number to be negotiated down.



Better planning can help secure the delivery of social housing, however, it is crucial that the planning system is not seen as the main vehicle for funding it. Every UK Government in Westminster since 1990 has attempted to fund social housing primarily from developer contributions. This is on top of the ever-increasing S106 requests for physical and social infrastructure and funding operational public services. This has put pressure on the planning system to deliver things it was never intended to deliver and distracted politicians from the need to deliver larger changes to tackle the housing crisis.

Social housing was formerly properly built on council-owned land by councils. There may have been problems with this approach, especially in terms of failing to integrate social housing with other types of housing. However, by the 1980s councils were building almost no new homes and sought to use the planning system to extract contributions from developers to fund social housing. Developer contributions like S106 agreements were never intended to fund affordable housing. They would be better used for (1) the infrastructure needed to support the developments and (2) raising the bar on what is expected in terms of sustainable place-making. A key additional benefit of using S106 for its original purpose is that it helps make new development more popular with communities

Question 31: To what extent do you agree that LPAs should charge a highly discounted/zero-rated Infrastructure Levy rate on high percentage/100% affordable housing schemes?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary

The RTPI strongly disagrees with this approach as affordable housing schemes still require significant amounts of infrastructure that cannot be omitted. Consequently, the Levy must be utilised to ensure that infrastructure is in place for people to live in these schemes upon completion. Whilst we support the incentivisation of providing affordable housing, it cannot come at the cost of the infrastructure that makes these schemes work and allows communities to thrive.

Question 32: How much infrastructure is normally delivered alongside registered provider-led schemes in the existing system? Please provide examples.

Having consulted with our members, we have found that most Registered Provider schemes have still provided most integral infrastructure and some additional funding where proven to be essential.

Differences in infrastructure provision between registered providers and market housing is not taken into existing viability models and there is little distinction to be made between the final provision.



Question 33: As per paragraph 5.13, do you think that an upper limit of where the ‘right to require’ could be set should be introduced by the government?

[Yes/No/unsure] Alternatively, do you think where the ‘right to require’ is set should be left to the discretion of the local authority? [Yes/No/unsure]. Please provide a free text response to explain your answer where necessary.

The ‘right to require’ should reflect the specific needs of an LPA and should therefore be left to their discretion. LPAs can set their own rates to ensure that they can deliver enough affordable housing for each development and locality to ensure that the needs of the communities in question are met.

Question 34: Are you content that the Neighbourhood Share should be retained under the Infrastructure Levy? [Yes/No/Unsure?]

The RTPI supports the continuation of the Neighbourhood Share under the proposed Infrastructure Levy. Neighbourhood Share can help to deliver real community benefits, supporting infrastructure and small-scale development directly. It should be made clear that the Neighbourhood Share can only be spent upon infrastructure to ensure that all receipts from the Levy remain committed to delivering infrastructure for communities.

Examples such as Plymouth City Council’s [‘Crowdfund Plymouth’](#) have illustrated the creative projects and positive effects that can come about from Neighbourhood Share. The online platform helps to turn ideas into reality, allowing community members to support local projects and raised over £418,00 in its first year in 2015.

Understanding and delivering upon the needs of communities is a critical element of infrastructure delivery and should consequently be included in the Infrastructure Levy.

Question 35: In calculating the value of the Neighbourhood Share, do you think this should A) reflect the amount secured under CIL in parished areas (noting this will be a smaller proportion of total revenues), B) be higher than this equivalent amount C) be lower than this equivalent amount D) Other (please specify) or E) unsure.

Please provide a free text response to explain your answer where necessary

We would like to see the Neighbourhood Share reflect the amount secured under CIL, even if this will be a smaller proportion of total revenues. Whilst we recognise the importance of Neighbourhood Share, we believe that the delivery of directly levy-funded infrastructure should be the first priority for LPAs.

Question 36: The government is interested in views on arrangements for spending the neighbourhood share in unparished areas. What other bodies do you think could be in receipt of a Neighbourhood Share such areas?

As mentioned in our answer to Q34, Plymouth City Council delivered Neighbourhood Share in unparished areas through their '[Crowdfund Plymouth](#)' model which allowed members of the community to vote for potential projects.

The crowdfunding model allowed the council to find out about local projects and pledge up to 50% of the project's target (up to £5,000) if they met the legislative and the council's criteria and priorities. In its first year, 'Crowdfund Plymouth' raised over £418,000 for 90 projects.

Question 37: Should the administrative portion for the new Levy A) reflect the 5% level which exists under CIL B) be higher than this equivalent amount, C) be lower than this equivalent amount, D) Other, (please specify), or E) unsure.

Please provide a free text response to explain your answer where necessary.

No comment.

Question 38: Applicants can apply for mandatory or discretionary relief for social housing under CIL. Question 31 seeks views on exempting affordable housing from the Levy. This question seeks views on retaining other countryside exemptions. How strongly do you agree the following should be retained:

- residential annexes and extensions; [Strongly Agree/Agree/Disagree/Strongly Disagree]
- self-build housing; [Strongly Agree/Agree/Disagree/Strongly Disagree]

If you strongly agree/agree, should there be any further criteria that are applied to these exemptions, for example in relation to the size of the development?

No further comment.

Question 39: Do you consider there are other circumstances where relief from the Levy or reduced Levy rates should apply, such as for the provision of sustainable technologies?

[Yes/No/Unsure]. Please provide a free text response to explain your answer where necessary.

Sustainable technologies are an integral element of how we plan and build places fit for the future. However, we believe that the provision of sustainable technologies should deliver direct community benefits, rather than relief from Levy rates. The provision of community benefits could help garner support amongst local communities for developments, ensuring that projects can be planned, consented and delivered swiftly. Community benefits can help create

meaningful relationships between developers, LPAs and communities, which can help incentivise sustainable development.

Furthermore, developments require infrastructure to be socially and environmentally sustainable, and to be locally supported. Therefore, offering a reduced rate or full relief from the Levy should be seen as counterintuitive when the purpose of the Levy is to secure increased receipts and subsequently ensure that communities have sufficient high-quality infrastructure to thrive.

Question 40: To what extent do you agree with our proposed approach to small sites?

[Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary.

The RTPI believes that small sites should be included within the Infrastructure Levy or any future continuation of CIL and S106. It is important that we capture the value of the land from small sites and provide the infrastructure that enables them to be sustainable and attractive places.

Question 41: What risks will this approach pose, if any, to SME housebuilders, or to the delivery of affordable housing in rural areas?

Please provide a free text response using case study examples where appropriate.

The approach outlined in this consultation proposes a number of potential risks to SME housebuilders. The setting of various Levy rates will require a significant amount of work to be undertaken by developers to identify potential locations, forecast costs and revenue and ultimately decide upon the viability of sites. Whilst major housebuilders may be able to handle these workloads and their accompanying risks, we do not believe that SME housebuilders have the same resourcing or ability to take on risk.

Question 42: Are there any other forms of infrastructure that should be exempted from the Levy through regulations?

The answer to this question is inherent upon what is defined as 'integral' infrastructure and what should be levy funded infrastructure. In our response to question 3, we supported option A of a list of characteristics and principles of integral infrastructure which give LPAs discretion over what infrastructure was to be delivered through the Levy.



Question 43: Do you agree that these enforcement mechanisms will be sufficient to secure Levy payments?

Strongly Agree/Agree/Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary.

It remains unclear as to whether the enforcement mechanisms built into the Infrastructure Levy will be sufficient to actually secure payments. The securing of Levy payments would need to be closely examined throughout the 'test and learn' process and any obstacles responded to swiftly.

Question 44: Do you agree that the proposed 'test and learn' approach to transitioning to the new Infrastructure Levy will help deliver an effective system?

[Strongly Agree/Agree/ Neutral/Disagree/Strongly Disagree/Unsure] Please provide a free text response to explain your answer where necessary

Whilst we would like to reiterate our concerns over the complexity of the Levy, we do welcome the 'test and learn' approach. This will allow for the complexities of the system to be worked with. LPAs and developers will need to learn and adopt a new and highly complicated system and if this approach is to be progressed then it must be paired with funding and training to ensure that all parties are capable of getting the best results out of this new system. The 'test and learn' approach must have open channels of communication so that any challenges can be overcome and necessary change can be made to the system as it progresses.

Question 45: Do you have any views on the potential impact of the proposals raised in this consultation on people with protected characteristics as defined in section 149 of the Equality Act 2010?

[Yes/No/Unsure]. Please provide a free text response to explain your answer where necessary.

No comment.