

RTPI response to MHCLG consultation on ‘Development corporation reform’.

December 2019

This is the RTPI’s response to the 2019 [Ministry of Housing, Communities & Local Government Consultation](#) on whether and how legislative reforms might ensure that, in future, where it is appropriate for a development corporation to be used, a fit-for-purpose model exists. The consultation document covers three main areas of potential change: involving the private sector; use of development corporations by local areas; and comparable powers for development corporations.

The RTPI’s response considers the potential of development corporations to facilitate pro active, strategic planning. However, we are clear that development corporations can only be effective where they are established on a sufficiently long term basis, in collaboration with existing local statutory bodies within the area, are sufficiently resourced, and have clear structures for democratic accountability.

About the RTPI

The RTPI champions the power of planning in creating prosperous places and vibrant communities. As learned society, we use our expertise and research to bring evidence and thought leadership to shape planning policies and thinking. As a professional body, we have over 25,000 members across all sectors, and are responsible for setting formal standards for planning practice and education.

General comments

1. We welcome the chance to respond to this consultation. Development corporations could be an important part of tackling the housing crisis. Local authorities play a key role in responding to different needs in their areas, however, there are some situations, in particular cross-boundary and large-scale developments, where Development Corporations can be effective. In these cases, Development Corporations may be appropriate, providing they are established on a sufficiently long term basis, in collaboration with existing local statutory bodies within the area, are sufficiently resourced, and have clear structures for democratic accountability.



Involving the private sector

Question 1: Are there measures that you would like to see implemented to further facilitate private sector involvement and investment in development corporations? What changes would you like to see?

2. Whilst there are clearly advantages to private sector involvement in development corporations it is important that they maintain close collaboration with existing local statutory bodies and have clear structures for democratic accountability. It is important that development corporations are not seen as ways of circumventing local government. Development corporations must balance strategic concerns with local objectives.

Use of development corporations by local areas

Question 2: Are the existing models of development corporations sufficiently broad in scope to allow for the types of development that local areas wish to pursue? Are there any barriers to the uptake of existing models? If so, what sort of change do you think is needed?

3. Greater use of Mayoral Development Corporations might provide an incentive for the City Regions to increase devolution. This would need to be subject to the Mayoral/ Combined Authority having sufficiently robust governance, transparency, accountability and democratic processes.

4. One important barrier is resourcing, in particular the capacity of local authorities to engage given [cuts to spending on planning](#) and other services. This also has a strong regional dimension, with cuts falling particularly hard on the North West, West Midlands, North East and Yorkshire. Plans to support development corporations must take this into account, providing sufficient resourcing for the corporations themselves, and supporting local authority partners to engage.

Comparable powers for development corporations

Question 3: Do you agree that all development corporations should have the ability, where appropriate, to exercise the plan-making and development management functions of a local planning authority?

5. Yes – with ‘where appropriate’ being a key distinction.

Question 4: Do you agree that all development corporations should be able to secure contributions from developers using a range of mechanisms, such as CIL, SIT and Section 106 planning obligations, where they have taken on the corresponding planning powers from the local planning authority?

6. Yes, this is essential for capturing uplift in land values in order to mitigate the impacts of development. You need to put in infrastructure which brings communities along and gives the private sector security for investment.



Question 5: Are there any other measures relating to planning powers and/or increasing the efficiency and effectiveness of planning in development areas designated to be overseen by development corporations

7. There are limitations to the powers of development corporations which may need addressing through new powers or resourcing. In particular, as things stand resourcing and expertise will be key concerns. It is also important that development corporations have clear incentives to deliver new housing, including the ability to capture uplifts to invest in infrastructure. This means that land prices need to take account of all of the requirements of planning policy.

Question 6: Are there any measures relating to developer contributions that should be put in place for development corporations?

8. Development Corporations should be required to publish an Infrastructure Funding Statement, as local planning authorities must from next year.

Question 7: Are there any other measures relating to development corporation powers that you would like to see implemented?

9. Any changes to compulsory purchase powers will need reinforcing in both local and national planning policy to ensure their robustness, and the real impact of these changes may be restricted by the lack of a regional planning tier. When confirming a CPO (Q8), the Secretary of State should take into account proposals for the incorporation or relocation of existing users. Regarding Q9, and the Secretary of State's consideration of alternative proposals, there are of course likely to be conflicts. However, the possibility of synergies should be considered.

Other comments

Question 8: Is there anything else that you would like to see new legislation or policy address regarding the aims, objectives, remit, powers and restrictions of development corporations?

10. No comment.

Question 9: Do you have any views on the Public Sector Equality Duty in relation to any of the questions above?

11. No