



SUBMISSION TO TECHNICAL CONSULTATION ON THE INFRASTRUCTURE LEVY

1. WHO WE ARE

- 1.1. The Community Land Trust Network is the official charity supporting Community Land Trusts (CLTs) in England and Wales. We are a membership body and represent 350 CLTs with over 1,800 homes and other assets, and which together have plans to deliver 7,000 homes by 2026.
- 1.2. For further information on CLTs and this response please contact Tom Chance, Chief Executive of the National CLT Network, on tom@communitylandtrusts.org.uk.

2. RESPONSE

- 2.1. **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?
- 2.2. We are pleased that the government is seeking views on arrangements in these unparished areas. As was noted in the Levelling Up and Regeneration Bill's bill committee debate on the 23rd June, at present, nearly two-thirds of England (63%) is not covered by a town or parish council. This includes most urban areas, where significant Infrastructure Levy proceeds will only be made available to neighbourhoods at the discretion of the local authority.
- 2.3. We support the suggestion that the neighbourhood share could be passed on to a designated Neighbourhood Forums in unparished areas. This was touched on in the bill committee debate on the 23rd June. But this comes with two shortcomings.
- 2.4. The first is that Neighbourhood Forums are not currently set up to handle and spend significant sums of money. Their function is to lead on the planning process, and there is a risk of a perceived conflict of interest if the forum is then planning for, and/or supporting,

proposals that would then result it in receiving income.

- 2.5. Second, this would still leave much of the country untouched. For example, in London there are no designated neighbourhood forums in 9 of the 32 boroughs, and most of the capital's area is not covered by a neighbourhood forum¹. A study for the government in 2020 found that 18% of local planning authorities had no neighbourhood planning activity at all, and that 94% of made plans had been led by parish/town councils - suggesting activity in unparished areas is relatively low². The same study also found low levels of neighbourhood planning activity in the North East and North West, showing a lack of alignment with the government's levelling up objectives.
- 2.6. At the bill committee debate on the 23rd June, the minister for levelling up framed the objective of this community element as 'double devolution and neighbourhood-level governance'.
- 2.7. There are other equally democratic local structures that could also receive the community element of the infrastructure levy, achieving greater devolution to neighbourhood-level governance.
- 2.8. Community Land Trusts are one such option. Unlike neighbourhood forums, their principal purpose is not making plans but enacting them - developing land and assets for local benefit. So they would be a suitable alternative for communities that need a vehicle with which to receive, hold and spend the community element of the infrastructure levy on local priorities. By contrast with parished areas and neighbourhood forums, the 350 existing Community Land Trusts are well distributed across England, and over-represented in deprived and 'left behind' areas³.
- 2.9. Legislation or regulations could stipulate that Community Land Trusts must be designated as suitable bodies by the local planning authority. They should be required to meet the same standards as Neighbourhood Forums, as set out in section 61F(5) of the Town and Country Planning Act 1990 as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act).
- 2.10. The statutory definition of the Community Land Trust in the Housing and Regeneration Act 2008, s79, already aligns to requirements set out in the aforementioned TCPA act - specifically subsections 61F(5a) (purposes promoting or improving the social, economic and environmental well-being of an area), 61F(5b) (membership open to those who live or

¹ Neighbourhood Planners London, State of neighbourhood planning in London - 2022, https://www.neighbourhoodplanners.london/files/ugd/95f6a3_c4845aed02ea4fb3b11919a81a17a797.pdf

² Parker et al (May 2020), Impacts of Neighbourhood Planning in England: Final Report to the Ministry of Housing, Communities and Local Government

³ Unpublished analysis for Local Trust, referenced in CLTN (2023), State of the Sector 2023, <https://www.communitylandtrusts.org.uk/news-and-events/new-research-shows-potential-for-278000-more-community-led-homes/>

work in the area) and 61F(5d) (having a written constitution).

- 2.11. The Government could further require that Community Land Trusts have a membership of at least 21 individuals as set out in 61F(5c), and require local planning authorities to test whether the Community Land Trust has taken reasonable steps in building its membership as set out in 61F(7a). Given that our proposal would also result in significant financial transfers to communities, not relevant and so not considered by the legislation for neighbourhood forums, we would also support requirements that local planning authorities test the financial governance and management capabilities of the Community Land Trust. Guidance could set out how this test should be applied.
- 2.12. Our experience and research has found that Community Land Trusts provide those parts of a community that are pro-development with a tool to improve their area. Connecting the significant financial windfalls from other development to CLTs would therefore strengthen local incentives to accept development, and to undertake further development of their own.
- 2.13. We would be happy to provide further information and discuss this proposal if it would be helpful.