

MKCC response to DLUHC Technical Consultation on the Infrastructure Levy

Dear Sir / Madam

Technical Consultation on the Infrastructure Levy

This letter sets out Milton Keynes City Councils (MKCC) views on the design of the Infrastructure Levy.

We have not attached these views to specific consultation questions. However, our views do relate principally to the fundamental design choices of the Levy (Chapter 1), Levy rates (Chapter 2), and delivering affordable housing (Chapter 5).

We note the intentions of the Levy (for local planning authorities) and recognise the work to date that has gone into designing it. We also welcome the ability to levy against permitted development, which is a loophole in all local authority areas currently.

However, in Milton Keynes we already have a proven track record of infrastructure funding and delivery through a successful Tariff programme and the effective use of the existing Section 106 legislation. This has not had any adverse impact on our housing delivery and in fact has helped to provide certainty for developers and communities alike.

In the last financial year alone we have delivered 175% of our current housing target; nearly 3,100 new homes (gross). This follows successive years of high housing delivery, well above our annual target, including 'on-site' affordable housing through existing s106 powers, which has historically been a successful method for us of securing affordable units.

Our original Tariff is projected to secure £430m of infrastructure funding for the City once completed (£275m is estimated to have been received to date), as well as free land for schools and community uses. A new Tariff arrangement for our MK East site (5,000+ homes) will secure circa £200m and a similar arrangement is being worked up for our Southeast MK development (3,000+ homes).

Currently we also hold over £70m of Section 106 receipts from sites across the City that have secured developer contributions through a site-by-site negotiation.

We have successfully planned for the investment of these receipts through carefully developed long-term infrastructure programmes (such as our Local Investment Plan, local plan (Plan:MK) and related Infrastructure Delivery Plan).

As we continue with our ambitious growth plans to 2050 we are currently developing an Infrastructure Study and Investment Strategy to support our New City Plan. That will again help us evidence the infrastructure we need and how best we can fund and deliver that.

So, whilst we appreciate that some local authorities may not have been as successful as Milton Keynes in securing both housing delivery AND infrastructure funding, we remain concerned that the new Infrastructure Levy will impact on our ability to continue to deliver significant growth if we do not have the flexibility to remain with an approach that has proven over the last 20 years to to be so successful.

Yours faithfully

Councillor Pete Marland
Leader, Milton Keynes City Council