

Fiscal arrangements and planning decisions in Italy, UK and The Netherlands

Elena Besussi
The Bartlett School of Planning
UCL

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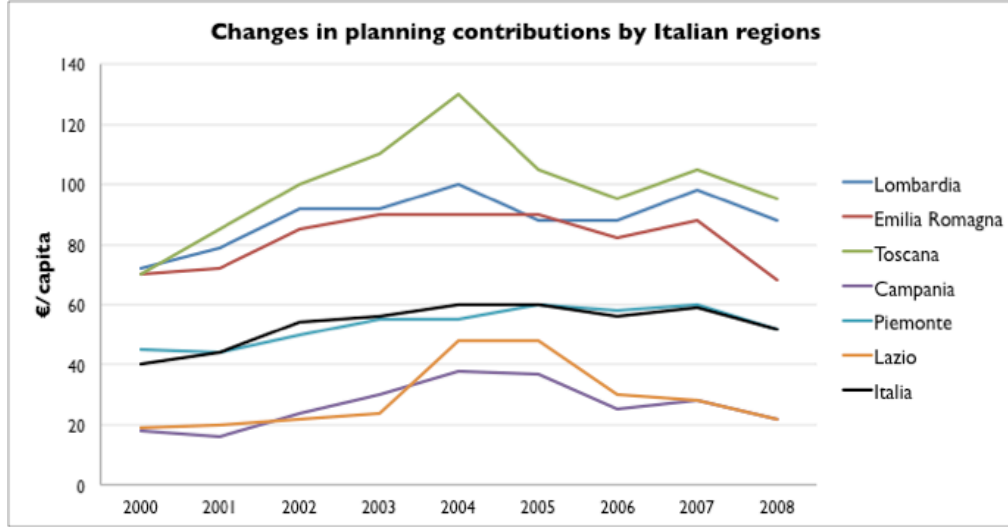


1. Urban development as a (declining) source of revenues
(declining because less revenues and bigger gaps)
2. Questioning the relationship between planning and local public finances
3. NL, IT, UK: different regimes and shared themes

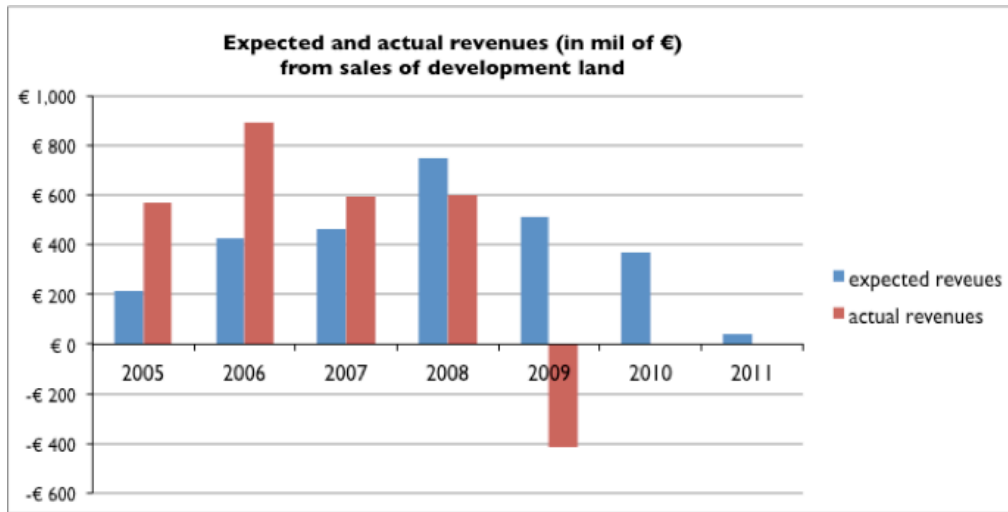
- **Motivations**

- delivery of welfare infrastructures
- planning practices to secure development contributions
- changing fiscal “conditions” and role of urban development

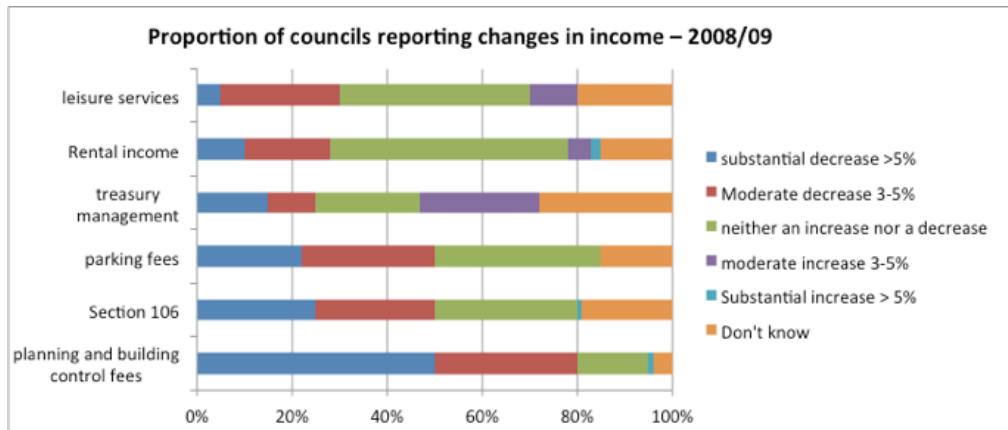
IT



UK



NL



- why development contributions?

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 - key component of planning systems and practices

- **why development contributions?**
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 - successful under welfare expanding conditions

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- **why development contributions?**

- key component of planning systems and practices
- successful under welfare expanding conditions
- less successful under changing planning goals, shrinking state, increasing infrastructural gaps.
- even less under fiscal autonomy and budgetary constraints

- **Aims of investigation**

- if and how planning and development decisions are influenced by fiscal regimes

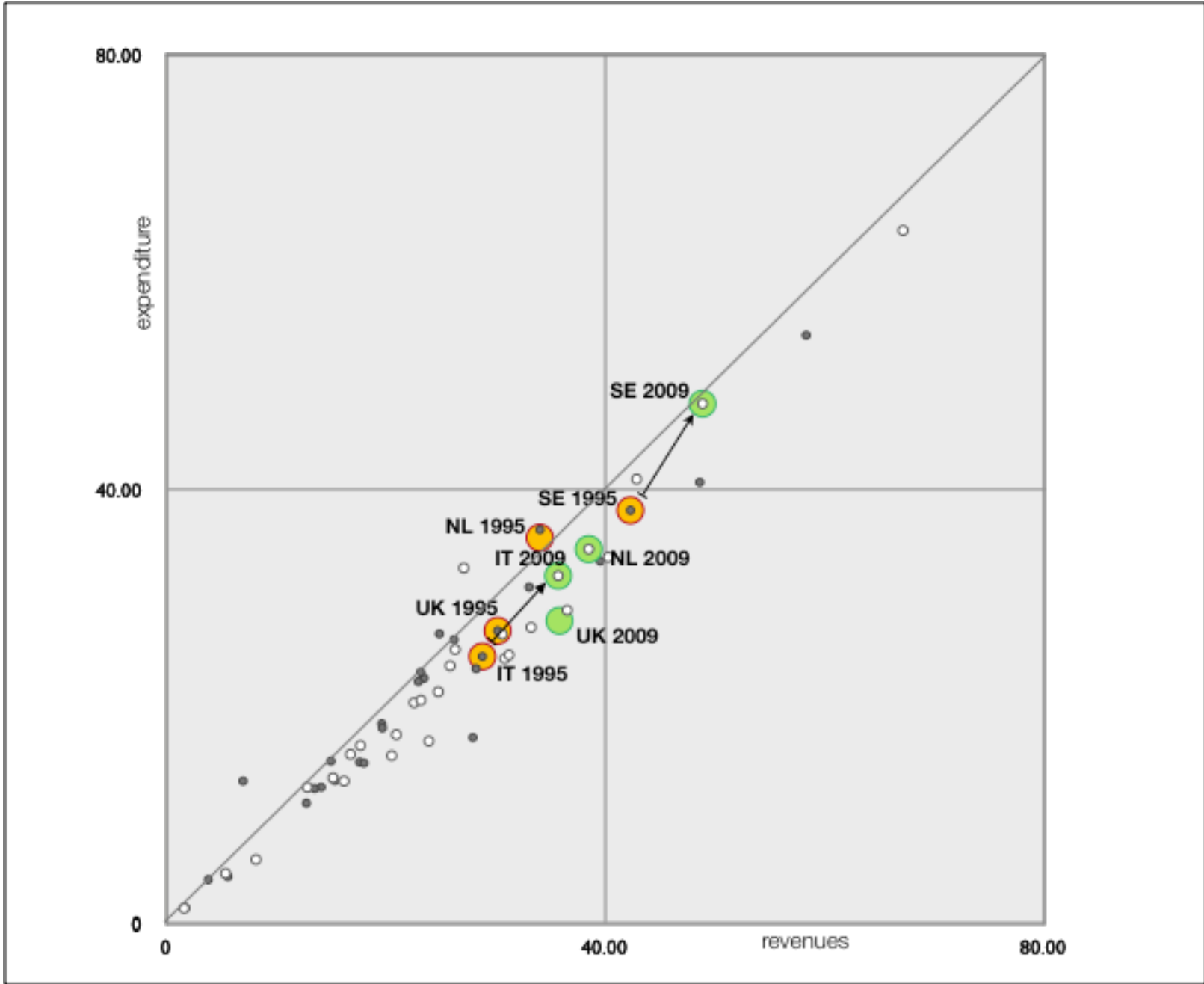
1. current models for generating and capturing revenues from urban development

2. expectations and practices, the application of these models

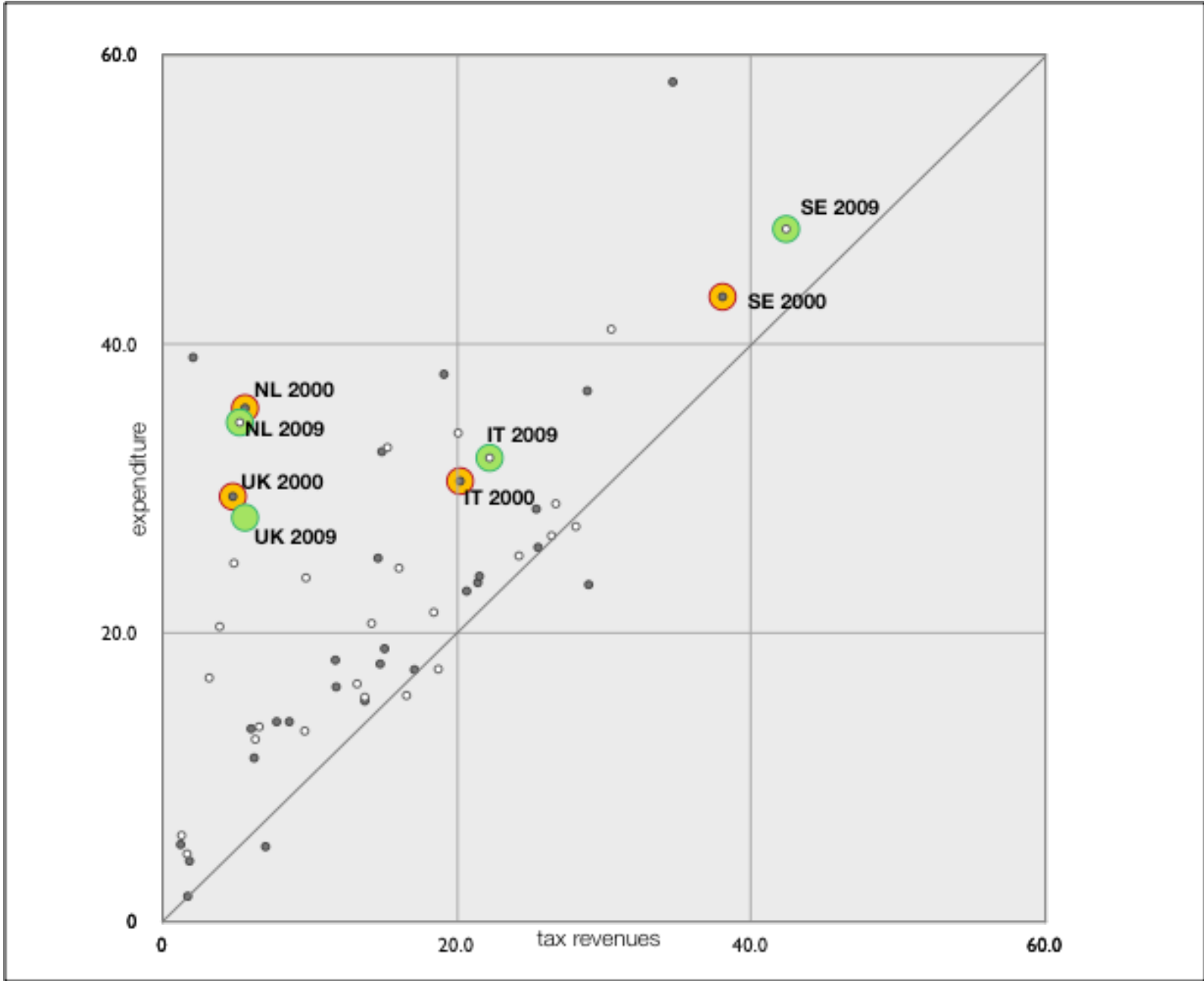
3. perceived role and contribution of planning and planners

- Analytical frame: Fiscal Regimes

- size of local government
- degree of dependence / autonomy
- discretion
- tax base



size of local government (OECD 1995- 2009)



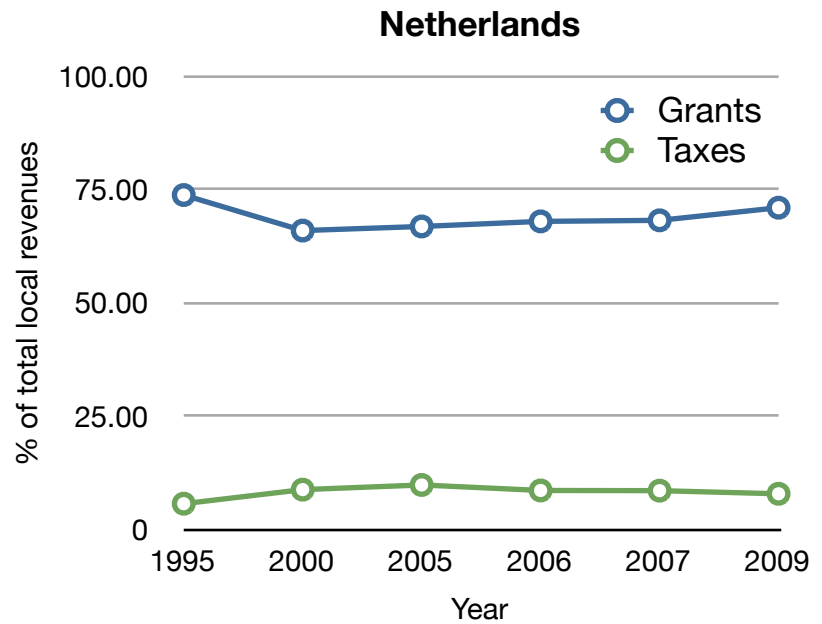
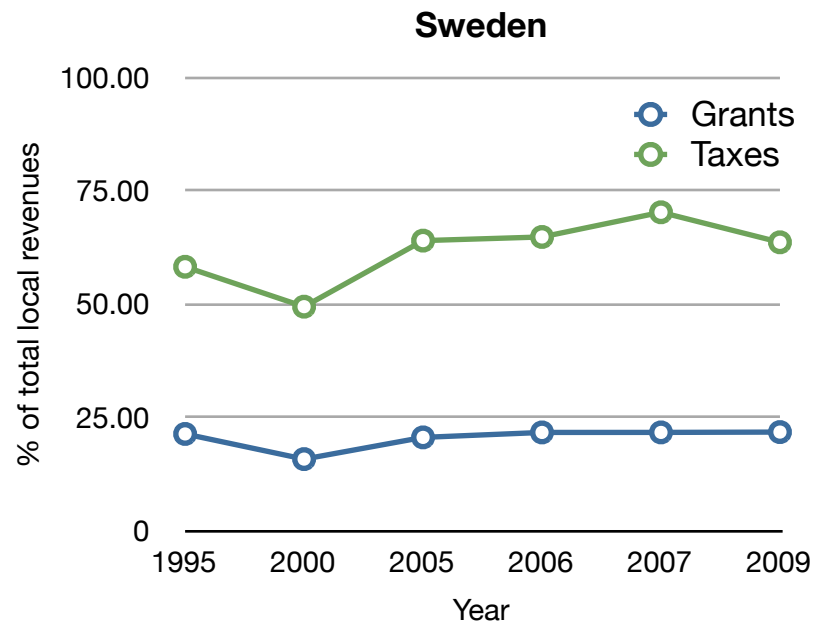
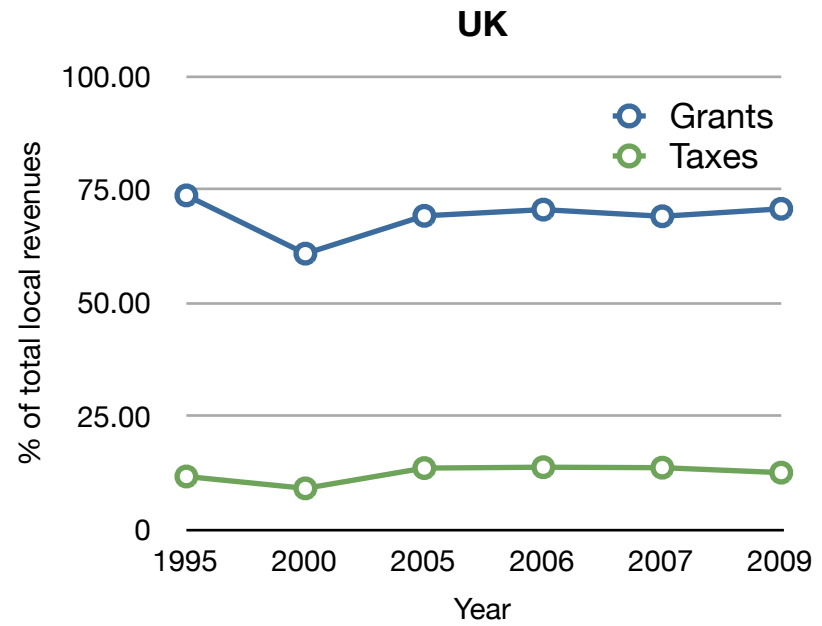
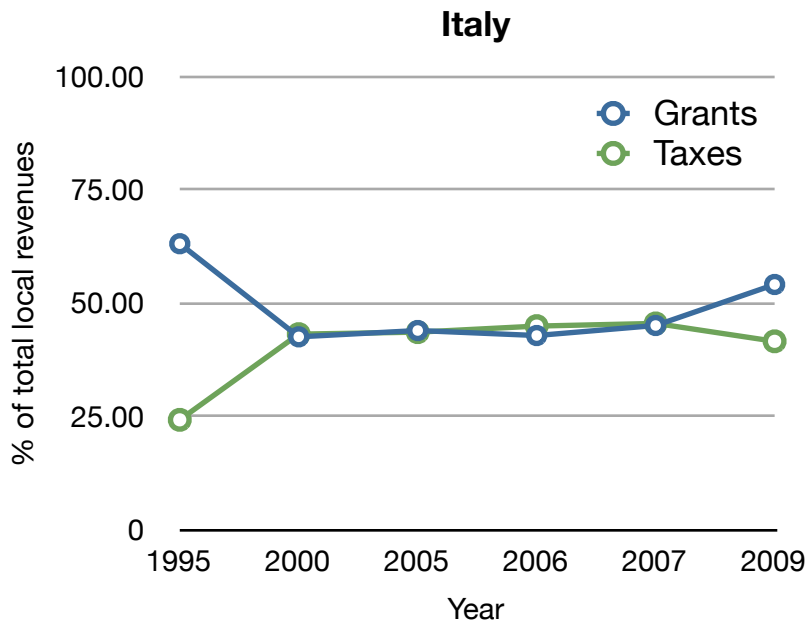
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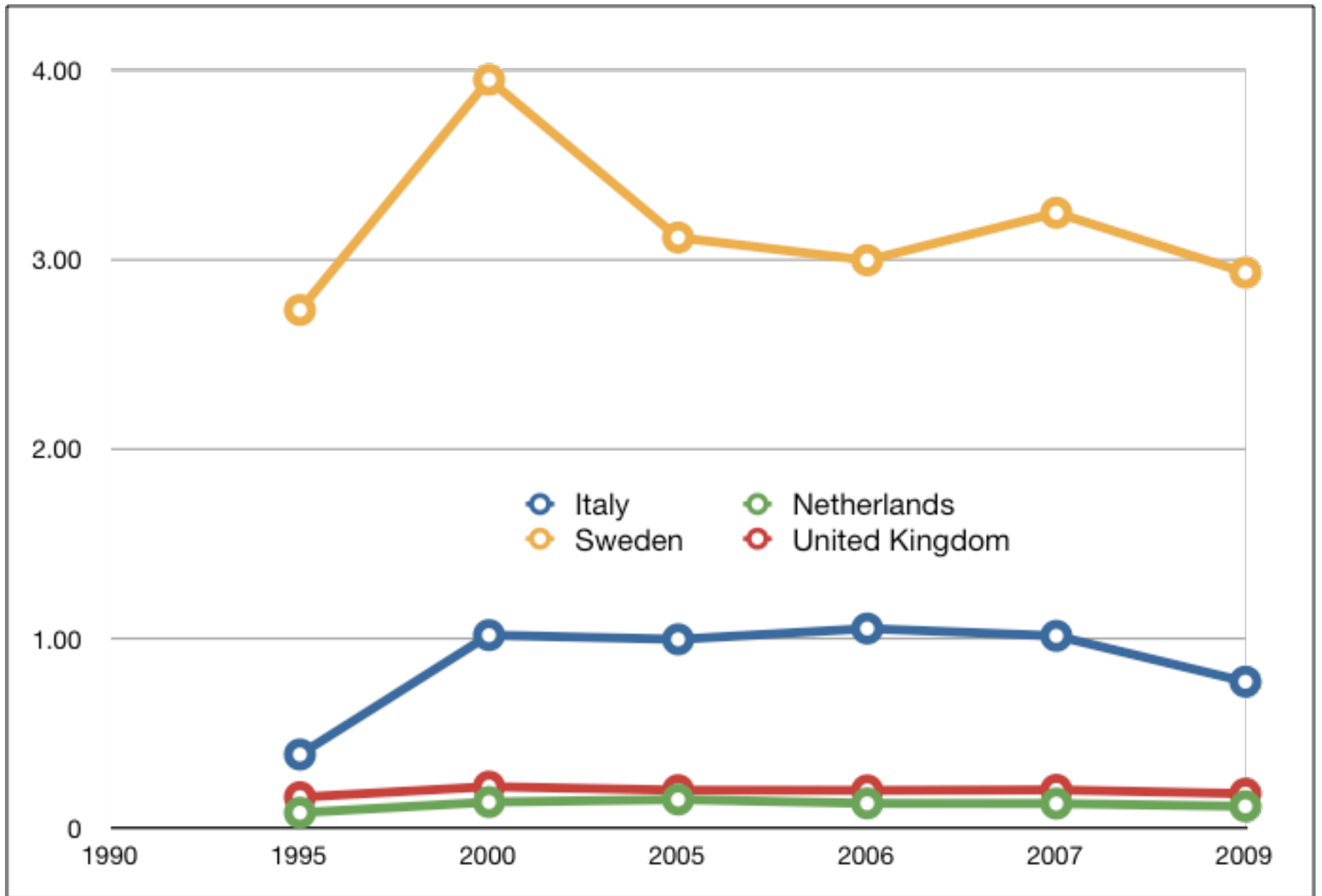
tax base (local structure) (OCSE 2009)

- **Analytical frame: Planning decisions**
 - 25 in-depth interviews in UK, IT, NL
 - academic experts, planning and surveying consultants, senior and clerical staff of local government planning departments, private sector developers and representatives of industry organisations
 - 3 trigger questions
 - Fiscal tools which aim to increase local revenues;
 - Fiscal tools which aim to increase housing production;
 - Fiscal / planning tools which aim to limit consumption of greenfield land / promote regeneration

- Main findings: fiscal regimes



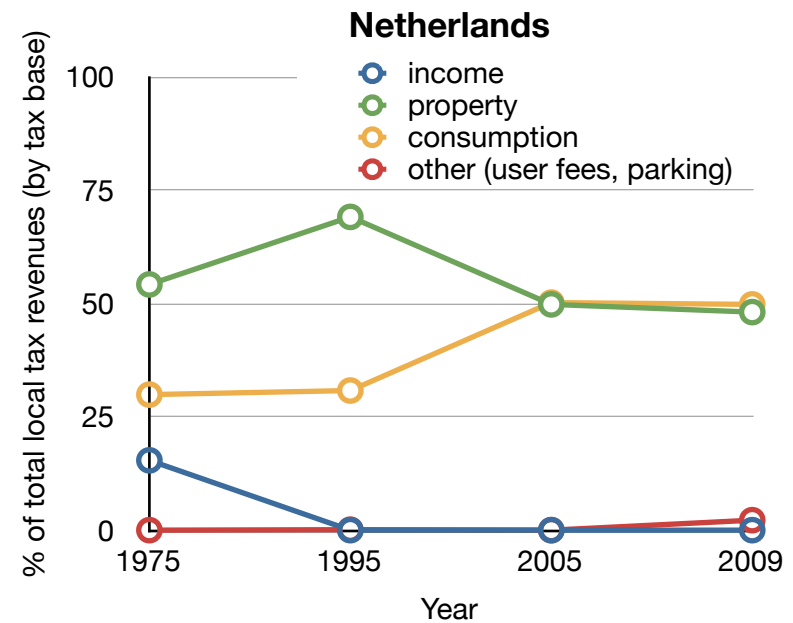
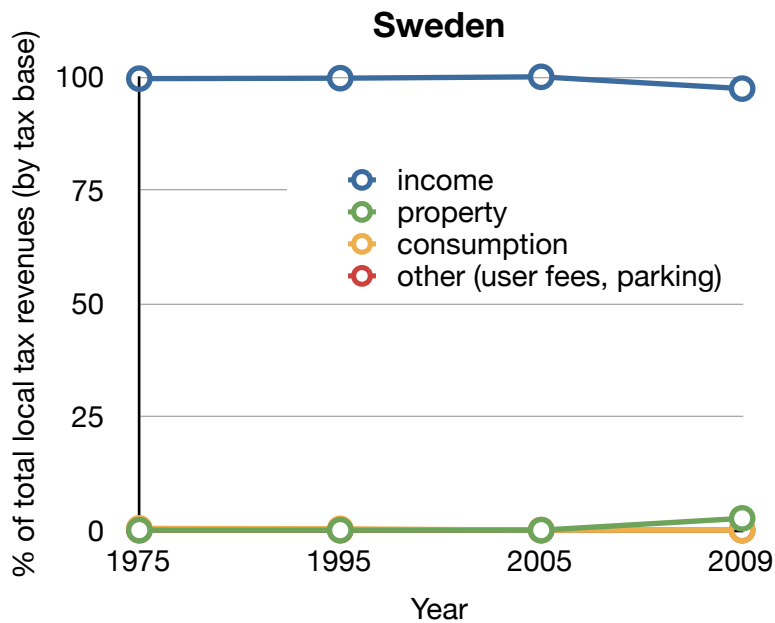
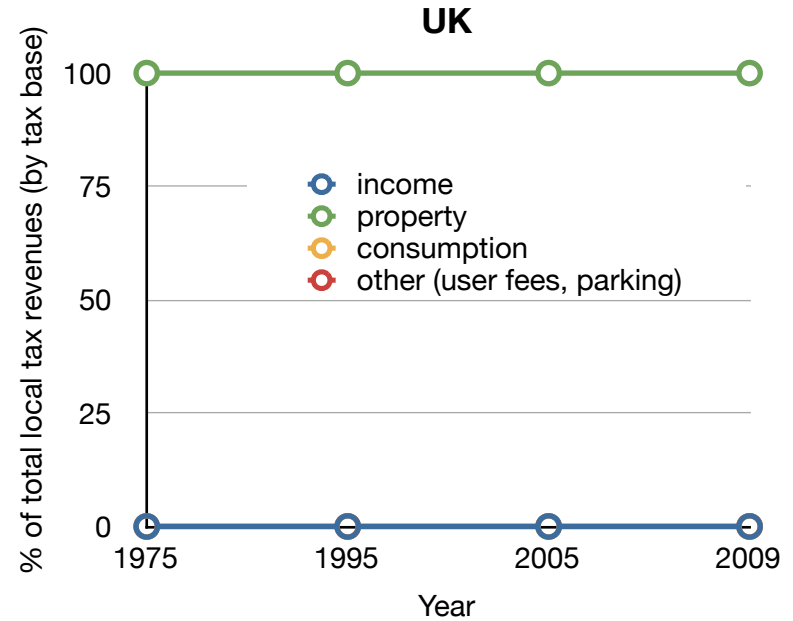
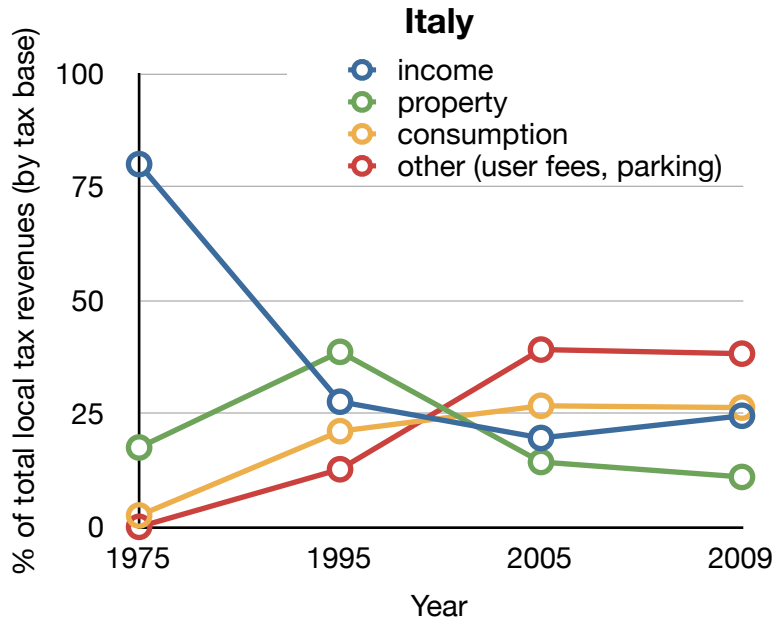
dependence: local taxes / grants (transfers) (OECD 2009)



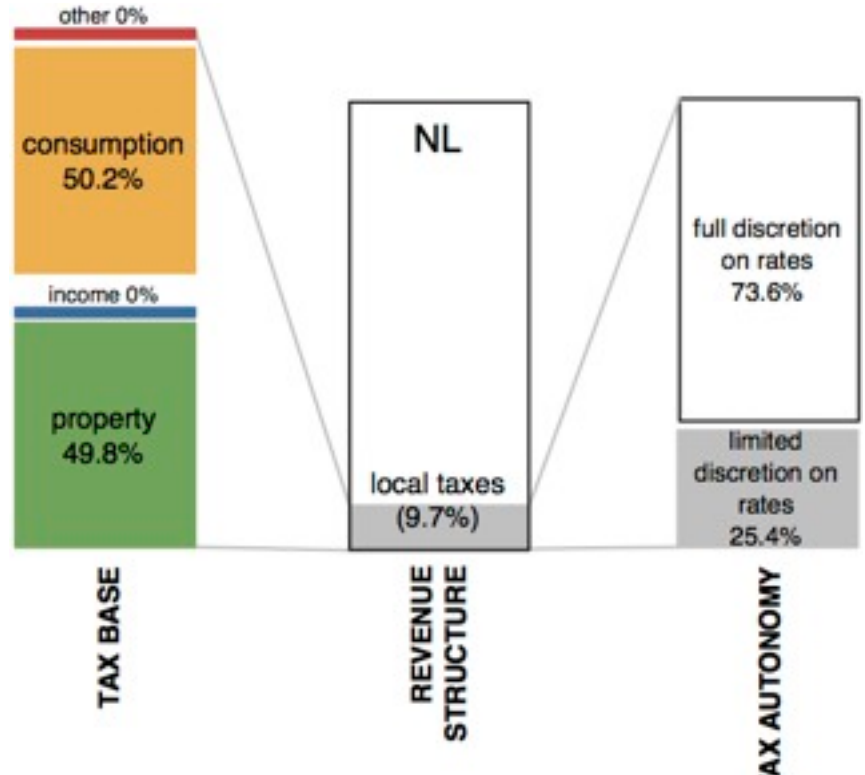
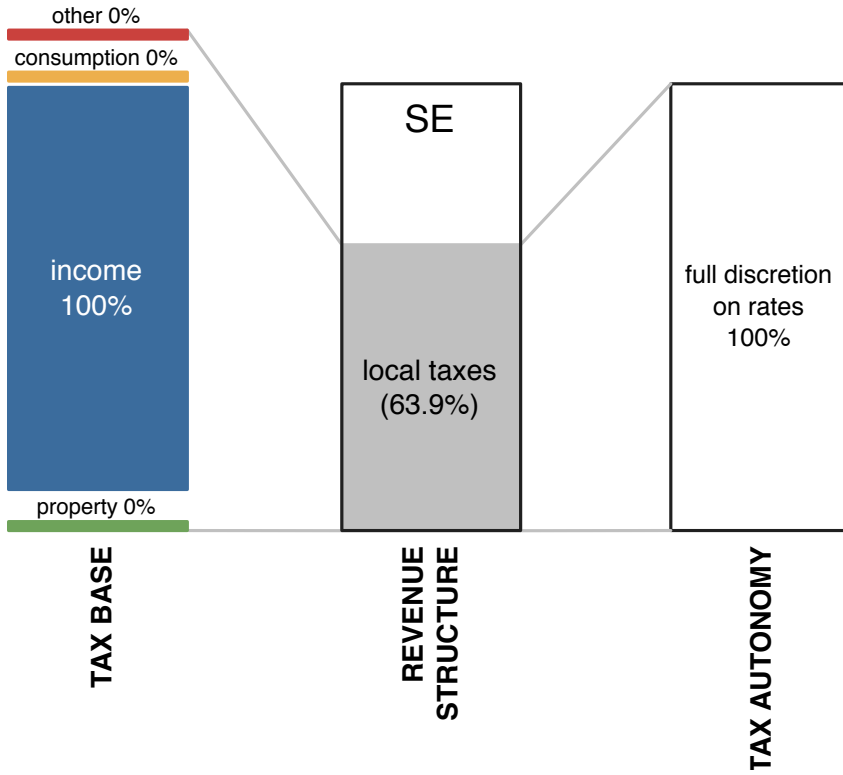
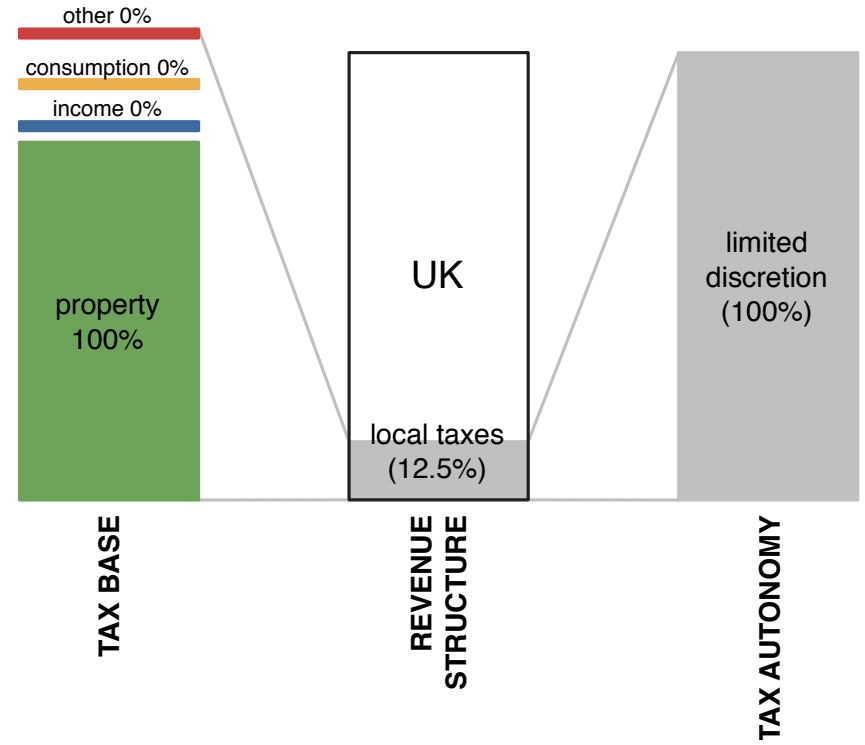
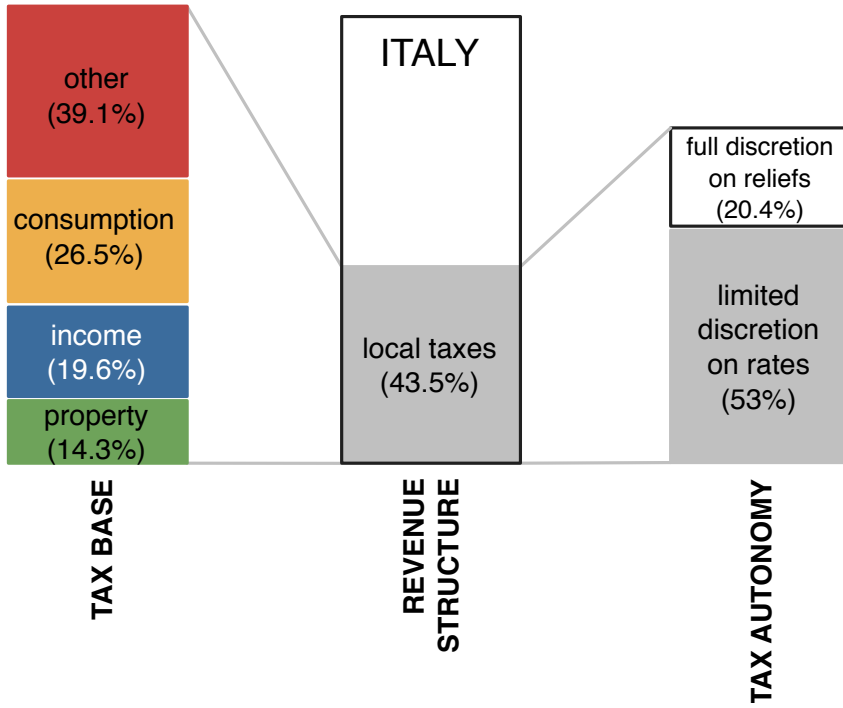
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	Subcentral tax revenue		As share of sub-central tax revenues										
	As % of GDP	As % of total tax revenues	Discretion on rates and reliefs	Discretion on rates		Discretion on reliefs	Tax sharing arrangements				rates and reliefs set by CG	Other	Total
				Full	Restricted		Revenue split set by SCG	Revenue split set with SCG consent	Revenue split set by CG pluriannual	Revenue split set by CG annual			
			a	b1	b2	c	d1	d2	d3	d4	e	f	
Italy	6.8	13.5											
Regions	4.6	11.3			58.7			25.2	16.1				100
Local	2.2	2.2			53.3	20.4			19.9		6.5		100
Netherlands	1.5	3.9											
Local	1.5	3.9		73.6	26.4								100
Sweden	15.9	32.2											
Local	15.9	32.2		100									100
UK	1.7	4.8											
Local	1.7	4.8			100								100




discretion on rates and reliefs (OECD 2009)



tax base (local structure) (OCSE 2009)



- Main findings: planning decisions

	Plan	Development rights	Development initiative	Development charges
	hierarchical - legally binding - negotiated	Charge is required - TDR	Private initiative - Market and plan led	standard charges and negotiated extra contributions - social housing
	hierarchical - legally binding	land is nationalised - Active development model	private initiative - plan led	standard charges - negotiations in regeneration
	non-binding guidance	charge is required - NDR	Private initiative - Market led	negotiated - charges (CIL)

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 - limits of current market led development initiative model (UK, IT)
 - development procurement models (quality?)

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 - Infrastructure and services delivery plans

Report **October 2012**

RICS Research

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full report available on RICS website

<http://www.rics.org/uk/knowledge/research/research-reports/fiscal-arrangments-and-planning-decisions-in-italy-the-uk-and-the-netherlands/>