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

Elena Besussi
The Bartlett School of Planning
UCL

funded by
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
• why development contributions?
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• less successful under changing planning goals, shrinking state, increasing infrastructural gaps.
• **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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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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<table>
<thead>
<tr>
<th>Subcentral tax revenue</th>
<th>As share of sub-central tax revenues</th>
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<tbody>
<tr>
<td></td>
<td>As % of GDP</td>
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<td></td>
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<tr>
<td>Italy</td>
<td>6.8</td>
</tr>
<tr>
<td>Regions</td>
<td>4.6</td>
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<tr>
<td>Local</td>
<td>2.2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.5</td>
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<tr>
<td>Local</td>
<td>1.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>15.9</td>
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<tr>
<td>Local</td>
<td>15.9</td>
</tr>
<tr>
<td>UK</td>
<td>1.7</td>
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### Main findings: planning decisions

<table>
<thead>
<tr>
<th>Plan</th>
<th>Development rights</th>
<th>Development initiative</th>
<th>Development charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>hierarchical - legally binding - negotiated</td>
<td>Charge is required TDR</td>
<td>Private initiative - Market and plan led</td>
<td>standard charges and negotiated extra contributions - social housing</td>
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<td>land is nationalised - Active development model</td>
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<td>non-binding guidance</td>
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