

## Budget 2018: developer contributions

The LPDF believes that development should always benefit the local community it affects, and we are unequivocal supporters of the principle that those responsible for development should bear the cost of associated infrastructure.

Under the current system contributions made by land promoters and developers via Section 106 agreements, Community Infrastructure Levy payments, site remediation and enabling, and affordable housing amount to, on average, 50% of the uplift in land value. The current system is working well but could be improved.

The LPDF is encouraged that the government is implementing measures to do this, including removing pooling restrictions on Section 106 payments for a single piece of infrastructure. We would suggest that another priority area should be addressing the low uptake and underspend of CIL by local authorities.

However, when exploring new ways for land value to be captured for the public good the government should be extremely wary of disincentivising land owners from bringing forward their land for housing. This could result in a tightening of the supply of suitable land to support the homes the country needs.

## Budget 2018: investment to increase the supply of housing

We are encouraged to see a number of fiscal measures announced by the Chancellor aimed at achieving the government's target of 300,000 homes a year – a target that the LPDF supports.

The LPDF welcomes the government's further £500m investment in the Housing Infrastructure Fund, taking the total pot to £5.5 billion, and hopes that local authorities will continue to bid for the available funding.

Other measures to boost housing supply, including lifting the borrowing cap for councils to build, have our support and demonstrate that the government recognises the extent to which the supply of housing must be increased.