Department for Levelling Up, Housing & Communities

Rt Hon Simon Clarke MP
Secretary of State for the Department for Levelling Up, Housing and Communities

Department for Levelling Up, Housing and Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

www.gov.uk/dluhc

Our Ref: 21557600

Mr Clive Betts MP
Chair, Levelling Up, Housing and Communities Committee
House of Commons
Palace of Westminster
Westminster
SW1A 0AA

20 October 2022

Dear Clive,

Thank you very much for your letter of 12 October on behalf of the Levelling Up, Housing and Communities Committee. and taking the time to set out three further questions for my consideration. I welcome the Committee's interest in the development of this important policy and have provided responses to your questions below.

You asked about funding for Investment Zones and the relationship to existing Levelling Up funds.

Investment Zones (IZs) are focused on unlocking growth through tax reliefs and regulatory and planning simplifications within specific sites, rather than creating another pot of competitive government funding. They will cut back unnecessary bureaucratic requirements and processes and red tape that slow down development, cut taxes to back business, and, as a result, attract new investment to create jobs.

You asked how the proposed Investment Zones will impact planning authorities and affordable housing provisions, and what assurances the Government can provide that the Chancellor's intention to 'liberalise' planning rules for the Zones will not disregard current wildlife and environmental protections.

The government wants to do everything possible to streamline and accelerate delivery of high-quality development for jobs and homes. When proposals come forward for Investment Zones, they will benefit from a liberalised planning process. For developments in the early stages of planning, and to encourage new development to come forward, there will be a new faster and more streamlined consent to grant planning permission. For developments which already have permission, we will work with developers and local planning authorities to ensure planning is not a barrier to the accelerated delivery of these sites

We have received expressions of interests from places right across the country, with sites at different stages of development and with specific needs. We are committed to working with the places that progress to delivery on the best approach for their sites.

When I have made a full assessment of the bids received, I will set out more detail on how planning can be used to accelerate delivery in each place.

On the subject of wildlife and environmental protection specifically. I want to be very clear; we will not be downgrading the strong and long-established wildlife, environment and natural asset protections. National planning policy for these assets, and for other important land such as that covered by the Green Belt, will continue to apply. Accordingly, the published Expression of Interest specifically asks whether the proposed development would be on land that is in or adjacent to these areas, to ensure we treat these Zones with appropriate care and consideration. It also makes clear that successful Zones must agree to mitigate environmental impacts of development.

You asked for us to share the metrics that will be used both to assess applications and to measure the success of these zones and asked to know how decisions will be taken to select areas which will be eligible for an Investment Zone. You reference thirty-eight areas provided an expression of interest.

On 23 September 2022 we announced that we were in early discussion with 38 local authorities to establish investment zones in England but they would all need to formally apply through an Expression of Interest (EOI) process which opened on 2 October and closed on 14 October. Investment Zones have proved very popular, with hundreds of Investment Zone EOI bids received from over 80 Authorities. My officials are now assessing those bids.

We will set a high bar for establishing IZs and anticipate setting up a specific number, where it can be demonstrated that they will have the greatest impact on growth and housing supply. They will need to demonstrate value for money, minimise displacement and bring forward new development. Investment Zones will particularly support regeneration of undeveloped and under-developed areas. The precise number of zones will depend on factors, such as their overall geographical spread and the fiscal costs of the programme, in the context of the government's medium-term fiscal plan.

We have published detailed EOI guidance on GOV.UK which sets out the criteria and detailed assessment framework which will be used to prioritise sites to be taken forward into delivery planning. We have also published Frequently Asked Questions specifically relating to the EOI to head off common queries.

Thank you again for writing to me with your questions. I hope this has given you clarity in these areas, and I look forward to engaging with you and the Committee Members as the policy progresses further.

Yours ever,

Simon

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