

Tax hikes could undermine NPPF

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Remediation experts have accused the government of a lack of joined-up thinking over the proposed National Planning Policy Framework, as the consultation draws to a close next week.

The reaction from conservation groups and parts of the press has led ministers to hint they may be willing to re-word the NPPF and strengthen the requirements on developers to use brownfield sites first.

But the move would coincide with substantial tax incentives on the remediation of contaminated land being removed as announced in previous Budgets.

The 1996 landfill tax exemption for soil from contaminated land will be withdrawn on 31 March 2012, and the Land Remediation Relief policy is likely to go on the same date.

Waste Transition director Paul Levett said: "DCLG's wish to protect green belt and encourage development on brownfield sites seems rather inconsistent with the Treasury's plans to withdraw the tax breaks on site remediation costs, as well as reverting to full-rate landfill tax on contaminated soil removed from development sites.

"This doesn't seem to represent 'joined-up government'."

Graham Holtom, business development manager at remediation and groundworks expert Frankis Solutions, said with tax reliefs gone, the cost of cleaning up some soils could reach £100 per tonne.

"At the time the exemptions going was announced, the notion was LRR would be enhanced as compensation," he said.

Davis Langdon banking tax and finance associate Hilary Allen said: "I personally think it is exactly the wrong time for the relief to go as the original driver for it was a shortage of land. As far as I can see, what's changed?

"Now LRR looks to be going as well, so there is little financial incentive to take on dirty sites."

Peter Dixon, director of conservation at the National Trust, which has been at the forefront of the calls for more brownfield development, said: "The National Trust supports the continuation of tax incentives for the remediation of contaminated brownfield land where genuinely sustainable development is proposed."

Chief executive of the British Property Federation Liz Peace said: "If we are to maximise the use of brownfield land, much greater effort needs to be directed towards the remediation and the regeneration of such land, much of which suffers from contamination and other problems.

"At a time of cuts in public spending, the budgets and reliefs available to help bring such land back into use are under particular pressure.

The NPPF could possibly help by stipulating that in determining a planning application for a new use for contaminated land, a decision-maker could treat its funding of the site's remediation as a material consideration."