

# CPRE South East eBulletin

## The Budget: Planning and Localism Special

### 27 March 2011

***“We are going to tackle what every Government has identified as a chronic obstacle to economic growth in Britain, and what no Government has done anything about: the planning system. From today... the default answer to development is YES.”***  
***(George Osborne, Chancellor of the Exchequer, 12.55pm, Wednesday 23 March 2011)***

*Budgets usually balance the income and expenditure of the Exchequer. On Wednesday the planning system uniquely took centre stage for part of George Osborne’s Budget speech. The Treasury and Department for Business have apparently decided that the Localism Bill has gone too far towards indulging the interests of communities and strayed too far away from the priorities of business and central government. Wednesday’s budget signalled that the march towards community-led localism has halted. Economic growth through development is now the overriding priority for the planning system. Local, community, environmental and heritage concerns must give way to that priority.*

*The Chancellor ordered planning authorities to adopt a presumption of saying YES to planning applications. Environmentally designated land and green belt will retain protection but green fields are to become an easier target for developers. Minister Greg Clark instructed local authorities to give paramount priority to economic development—and threatened that if they did not do so central government would overrule their decisions on appeal. He announced that other consent regimes, including those for energy, environment, transport and heritage, will take second place to economic development. The irony of the Minister for Decentralisation issuing central directives on local planning, and threatening to intervene if they are ignored, seems not to have occurred to Mr Clark.*

*For every Budget, some of the most important news lies buried in the hundreds of pages of supporting analysis and argument. Perhaps that is why headlines such as “Budget promotes Tesco-town roll out” have yet to appear. Businesses will now be able to develop neighbourhood plans—and inevitably they will be able use their public relations muscle to turn out the required 50% plus vote required for their approval. Has the government fallen for the rhetoric of the supermarket giants that their emporia are our local shops and their aisles are our high streets? Or does it not realise that businesses serve their shareholders first and local communities second?*

*This Budget will unleash a rush for short-term economic growth which could soon overwhelm our beautiful but inadequately protected landscapes and townscapes with quick-build monotony. This is a Budget that could quickly erode Britain’s natural and historic environment, leaving little more than its crown jewels intact. It is a Budget that has clawed back power from local communities even before the Localism Bill which conveys those powers has completed its passage through parliament.*

*Localism, the main theme of the government statements on planning for many months, was nowhere in evidence on Budget day. George Osborne failed to mention localism once in his speech, and the Budget Report is a localism-free zone. The Plan for Growth makes no mention of localism anywhere. Both Eric Pickles and Greg Clark, the government’s champions of localism, issued press releases supporting the budget. They did not mention the localism word once between them.*

*When it comes to the localism agenda, central government and business interests have won. A local community can do what it wishes in planning matters, providing those wishes conform with what the government and business interests have told it to do. Localism is dead. It died in the House of Commons at 12.55pm on Wednesday, 23 March 2011 when George Osborne told MPs that “the default answer to development is YES.”*

*Andy Boddington, Editor*

*The CPRE South East eBulletin is issued monthly, with occasional special editions when required. We cover all the planning and environmental news with a relevance to the remit of CPRE. Views expressed are those of the editor, not of any part of CPRE. Our audience is CPRE and its friends. Please feel free to circulate this eBulletin. If you are not on our circulation list and want to receive the eBulletin regularly, just let me know at [cprenews@gmail.com](mailto:cprenews@gmail.com). Andy Boddington, Editor.*

## 1. The 2012 Budget at a Glance

- ◆ The government published a *Plan for Growth* alongside the usual budget papers. Eric Pickles and Greg Clark issued statements in support.
- ◆ George Osborne, the Treasury and the Department for Business attacked the planning system, declaring that it was an impediment to growth.
- ◆ Osborne and Clark declared that economic growth and job creation are the overriding objective for planning authorities.
- ◆ Osborne said that from now on the “default answer to development is yes.”
- ◆ Clark told planning authorities that if they do not prioritise economic growth and job creation over other planning considerations, the government would overturn local decisions on appeal.
- ◆ Clark stated, with the agreement of other ministers, that energy, transport, heritage and environmental consents take second place to the drive for economic growth.
- ◆ Businesses will now be able to develop neighbourhood plans on the same basis as local communities.
- ◆ Brownfield targets are to be abolished, with the expectation this will lead to more greenfield development.
- ◆ The green belt and other environmentally designated sites will retain protection.
- ◆ Local authorities will be able to take an option on purchasing land, and auction it when they have given the site planning permission—keeping the profits.
- ◆ 21 new enterprise zones are to be created, the first 11 in the north, west and London.
- ◆ The government intends to make it easier to change property from commercial to residential use without planning permission.
- ◆ Planning permission will be faster, with a 12 month guarantee for decision inclusive of any appeal.

*Environmental and housing news from the Budget will be covered in our next regular eBulletin due in the first days of April.*

## 2. Budget Buzz Words

Number of times words and variants mentioned:

	Localism	Economy	Planning	Housing	Environment	Sustainable development
George Osborne <a href="#">Budget Speech</a>	0	26	8	4	3	1
<a href="#">The Budget Report 2011</a>	0	161	12	4	23	12
<a href="#">The Plan for Growth</a>	0	205	135	43	33	3
Eric Pickles <a href="#">press statement</a>	0	12	34	18	6	4
Greg Clark <a href="#">written statement</a>	0	15	23	5	2	4

## 3. Main Links

- ◆ HM Treasury Budget pages (<http://bit.ly/2011osbud>)
- ◆ *Plan for Growth* (<http://bit.ly/plan4growth>)
- ◆ Treasury press release: Government sets out new *Plan for Growth* (<http://bit.ly/plan4growthpr>)
- ◆ Eric Pickles press release: Radical changes in housing and planning will drive local growth (<http://bit.ly/pickpr>)
- ◆ Greg Clark written statement instructing local authorities to make economic growth a priority (<http://bit.ly/clarkpr>)
- ◆ CPRE press statement: (<http://bit.ly/cprebud>).

## 4. Planning? Its the Economy, Stupid

**Bureaucracy attacked.** According to the *Plan for Growth*, the *Growth Review* launched by George Osborne last November (<http://bit.ly/fgTf96>) has concluded: “One of the most significant burdens highlighted consistently during the *Growth Review* has been the UK’s overly slow and bureaucratic planning system. [It is a] chronic obstacle to economic growth.” In his Budget speech, Osborne was openly hostile to the “overly slow and bureaucratic planning system”. The accompanying Budget Report claims the planning system “has held back investment and created distortions in the way that businesses compete, deterring development and growth.”

**Its Yes!** In a sign that the economic engine of government is growing impatient with devolution of planning powers to communities, George Osborne made clear that growth was the overriding objective for planners. “Yes, local communities should have a greater say in planning,” Osborne told MPs, before adding: “but from today, we will expect all bodies involved in planning decisions to prioritise growth and jobs, and we will introduce a new presumption in favour of sustainable development, so that the default answer to development is yes.” The government will publish a “draft presumption in favour of sustainable development” in May 2011, alongside “details of how it proposes to integrate the presumption into national planning policy.” It was left to Eric Pickles to confirm that a commitment to sustainable development is still in place:

*“The answer to development and growth should wherever possible be ‘yes’, except where this would compromise the key sustainable development principles set out in national planning policy.”*

**Economy comes first.** Greg Clark, Minister of State for Decentralisation told planning authorities they must put the economy before other considerations, and if they do not the government will do so on appeal. He instructed them to:

- ◆ prioritise national planning policies aimed at fostering economic growth and employment
- ◆ maintain a flexible and responsive supply of land for key sectors, including housing
- ◆ be sensitive to changing data on local economies
- ◆ ensure that they do not impose unnecessary burdens on development.

Planning authorities must “consider the range of likely economic, environmental and social benefits of proposals”, he told them. They must take account of “long term or indirect benefits such as increased consumer choice, more viable communities and more robust local economies (which may, where relevant, include matters such as job creation and business productivity)”. The priority for planners is jobs, Clark insisted. “In determining planning applications, local planning authorities... should ensure that they give appropriate weight to the need to support economic recovery, that applications that secure sustainable growth are treated favourably.” If local authorities do not toe the line: “the Secretary of State for Communities and Local Government will... attach significant weight to the need to secure economic growth and employment” at appeal.

**Comment.** CPRE Director of Policy Neil Sinden said: “The planning measures present a potentially devastating threat to the countryside and are unlikely to boost long-term economic growth. To suggest, as successive Governments have done, that planning is a key impediment to growth is just wrong... The planning system exists to prevent unsustainable, unwanted and environmentally damaging development. Today’s Budget is likely to undermine its ability to do this. The Chancellor’s default ‘yes to development’ threatens both the environment and sound planning” (<http://bit.ly/cprebud>). More than fifty academics wrote to the Guardian opposing the liberalisation of planning: “Planning... provides a democratically accountable mechanism for managing the way our settlements develop, and can help to shape fairer, more sustainable futures” (<http://bit.ly/igxuhk>). George Monbiot said: “Osborne’s plans are a disaster for the environment—An incentive to consume more petrol, relaxed planning rules and a weak green bank add up to a black budget for the environment” (Guardian: <http://bit.ly/ejMfKf>).

## 5. Planning Permission

**Faster, cheaper processing.** Osborne complained in his speech that councils are spending 13% more in real terms on planning permissions than they did five years ago, despite applications falling by a third. The government is now promising a 12 month guarantee for the processing of all planning applications, including any appeals.

**Comment.** The 12 month guarantee (a central government target by another name) will increase pressure on overstretched planning departments and planning committees to approve applications. With appeals taking an average of six months to complete, planning authorities are likely to have a maximum of six months to decide an application whatever its size. Much of the delay in planning permission is due to negotiations that ensure developments are more sympathetic to their local context and community but these negotiations will inevitably be curtailed to meet the deadline.

## 6. Neighbourhood Plans

**Neighbourhood Plans cannot block development.** The *Plan for Growth* states the limitations of neighbourhood plans more directly than previous documents. “Neighbourhood plans will be able to shape development, but not to block it. The Government will set out clear requirements for any neighbourhood forum or parish council to consult and engage local business and take into account their views in preparing neighbourhood development plans and orders. It will ensure that neighbourhood plans are only adopted if they fit with the local authority plan and national planning policy, and they show that they have considered representations from business.”

**Business led Neighbourhood Plans.** The *Plan for Growth* says businesses will also be able to “develop and implement planning frameworks, or to set up neighbourhood development orders, reducing the need for additional planning consents, for example on a single or shared use industrial site or town centre”. Businesses will need to gain the same approval for the neighbourhood plan as those developed by residents.

**Development Plans.** The *Plan for Growth* says: “Where local authorities do not have plans for development, or they are silent, out of date or indeterminate, this policy will mean that local authorities should start from the presumption that applications for development and job creation will be accepted, for example, in relation to disused commercial premises or former Ministry of Defence sites.”

**Comment.** The business neighbourhood plan proposal is likely to give added impetus to struggling Business Improvement Districts and open the door to more “Tesco towns”. (For comment on “Tesco Towns” see: Guardian: <http://bit.ly/eaGs4o>; CABE: <http://bit.ly/eQzdMP>; MERA: <http://bit.ly/gShw31>.) There must be concern also about the presumption of “yes” where development plans are silent or indeterminate. The trend has been for Core Strategies to be more strategic and to identify fewer specific sites, leaving plenty of scope for developers to exploit silence or indeterminacy until specific Local Development Schemes or Area Action Plans are in place.

## 7. Green Belt protected but Greenfield targeted

The Chancellor and Eric Pickles insisted that green belt and environmentally designated sites will be protected, even though brownfield development targets are to be abolished:

- ◆ Osborne: “We will retain existing controls on green belt, but we will remove the nationally imposed targets on the use of previously developed land.”
- ◆ *Plan for Growth* press release: “Opening up more land for development by removing nationally imposed targets, while maintaining the greenbelt.”
- ◆ *Plan for Growth*: “The Government expects that a very significant proportion of development will continue to take place on previously developed land... This policy change does not affect the Government’s commitment to maintain the greenbelt, Sites of Special Scientific Interest, Areas of Outstanding Natural Beauty and other environmental designations.”

- ◆ Eric Pickles press release: “Councils will be able to identify the most sustainable locations for growth in their areas, having regard to the coalition commitment to protect the environment, including maintaining the Green Belt and other environmental designations.”

**Comment.** The *Plan for Growth* press release makes clear the real agenda is to encourage development on greenfield sites which are usually easier to develop than brownfield sites. CPRE’s Neil Sinden said: “Without national brownfield targets for housing we could have lost twice as much greenfield land to development over the last decade—equivalent to an area almost twice the size of Manchester. This move puts green fields unnecessarily in the path of the bulldozers.”

## 8. Land Auctions

**Trials.** One of the most radical proposals in the budget is the trialing of auctions of land with planning permission. The Chancellor said it has the “potential to bring forward more land for development, increase competition in development and provide greater certainty for developers”. Local authorities would ask landowners to submit sealed ‘bids’ giving the price at which they would be prepared to sell their land. The local council would then have the right to buy the land at that price for a specified period. During that period, they would grant planning permission and auction it off to developers. The government is to pilot the scheme on public sector land.

**Comment.** The measure is already proving controversial, not least because the value of land in areas like the South East can increase by up to 400 times when granted planning permission (Centre Forum: <http://bit.ly/f1cWli>). The increased value would accrue to the local authority which granted the planning permission (Broadway Malyan: <http://bit.ly/gX1Tqw>). This will create a perverse incentive where development is promoted for the finance it provides the local authority, rather than for its intrinsic need. CPRE’s Neil Sinden said: “The proposed land auctions are hugely risky and have failed to get backing from developers, local government or campaigners.”

## 9. Enterprise Zones

Osborne announced 21 new enterprise zones where businesses and local authorities will get incentives to develop. The zones are being created in areas with well established Local Enterprise Partnerships. Areas without a LEP such as the South West have missed out on the initial round. This may also in part explain the absence of enterprise zones from the South East where the framework of LEPs has only just been completed. Eric Pickles declared the new zones “unashamedly localist, keeping power and profits within the local area so communities benefit” (Conservatives: <http://bit.ly/eGquDP>).

Business in the enterprise zones will gain from four main incentives:

- ◆ A 100% discount on rates up to £275,000 over a five year period
- ◆ radically simplified planning approaches and reduced planning restrictions in the zone
- ◆ superfast broadband
- ◆ potentially enhanced capital allowances in zones with a strong focus on manufacturing.

Local authorities and their LEPs, will keep the rateable income from the zones:

- ◆ all business rate growth in the zones will shared for at least 25 years by local authorities in the relevant Local Enterprise Partnerships to spend on development and economic priorities.

The first 11 enterprise zones are in urban areas in the north and west, and London. The four announced sites are Manchester airport, the Nottingham campus of Boots, dockland near the London Olympic site and the Liverpool waterfront (FT: <http://on.ft.com/g4zz9C>). The remaining seven LEPs (Birmingham & Solihull; Leeds City Region; Sheffield City Region; West of England; Tees Valley; North Eastern; the Black Country) will now have to decide where to locate their enterprise zone. LEPs are being asked to come forward with proposals for the remaining 10 enterprise zones to be announced in the summer.

**South East.** Eric Pickles said it would be up to South East LEPs to come forward with plans for the region (Insider: <http://bit.ly/dVTU8l>). Laura Sandys, MP for South Thanet, has announced she will press for East Kent to be given enterprise zone status to help the area recover from the loss of 2,400 jobs at Pfizer. Amber Rudd, MP for Hastings and Rye, is to lobby for Hastings (BBC: <http://bbc.in/dHy5fd>).

**Comment.** Andrew Tyrie, chairman of the Treasury select committee voiced concern “that we don’t inadvertently end up merely moving activity around the country while adding nothing to the overall welfare of UK Inc.” (Guardian: <http://bit.ly/ijhlsH>). Katie Schmuecker for IPPR said: “We have been here before and, unfortunately, if you look at all the evaluations of past enterprise zones, they proved more successful at encouraging businesses to relocate from one area to another than creating new jobs” (PF: <http://bit.ly/eLYybz>).

## 10. Heritage and Environment Consents

**Heritage and the environment** should not get in the way of job creation, Greg Clark said. “Benefits to the economy should, where relevant, be an important consideration when other development-related consents are being determined, including heritage, environmental, energy and transport consents.” Other departments have also been persuaded to place the economy first. “The Secretary of State for Culture..., the Secretary of State for the Environment..., the Secretary of State for Energy and Climate Change and the Secretary of State for Transport have consequently agreed that to the extent it accords with the relevant statutory provisions and national policies, decisions on these other consents should place particular weight on the potential economic benefits offered by an application. They will reflect this principle in relevant decisions that come before them and encourage their agencies and non departmental bodies to adopt the same approach for the consents for which those other bodies are directly responsible.”

**Comment.** Greg Clark’s statement, which would not win a Plain English Campaign award, suggests the government intends that only the most strongly protected natural and historic environment assets, such as those protected by European law, will be allowed to stand in the way of any significant proposal that promises new jobs.

## 11. Rolling Back Permissions and Consents

**Classes of Use.** The *Plan for Growth* says: “The Government wants to identify more opportunities to exempt development from the planning system, where the impacts are likely to be acceptable, to both encourage and make it easier to develop.” The government will consult on exempting from planning permission changes of use from business, general industrial and storage (classes B1, B2 and B8) to residential (class C3). It also plans to conduct an “urgent review” of the Use Classes Order and associated permitted development rights, such as the ability to transfer uses between different categories of commercial premises and from residential to commercial use.

**Penfold Review.** The government also committed to identify further types of minor development that can be exempted from non-planning consents. It will report on next steps on implementing the Penfold Review recommendations on non-planning consents in May.

## 12. In Brief

**Infrastructure.** The Chancellor and *Plan for Growth* confirmed the government’s commitment to a new infrastructure planning regime as previously announced but gave no new details.

**Regional Growth Fund.** The government will confirm all successful bids shortly and launch the second round of bidding in April.