

Briefing note

Planning

Groundrules change opens up opportunities

The recent Budget statement has put planning centre-stage as a vehicle for promoting economic growth. We now appear to be entering a new laissez-faire approach to decision-making.

This should create important opportunities for developers and landowners, and those with projects should not hold back from taking advantage of the new political mood.

A new positivism

Greg Clark, the Decentralisation Minister, said in a post-Budget speech,

"...there is a pressing need to ensure that the planning system does everything it can to help secure a swift return to economic growth";

"Government's clear expectation is that 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";

and

"...local planning authorities should support enterprise and facilitate housing, economic and other forms of sustainable development".

This is all a precursor to a formal Presumption in Favour of Sustainable Development, which is to be introduced in due course.

Clark has also indicated a willingness to be more open-minded about greenfield development.

In theory, this ought to bring about a significant shift in the attitude of many local planning authorities, taking us from a "glass half empty" perspective to one of "glass half full". Where this doesn't happen, we can expect the Planning Inspectorate to apply due weight to the new approach when deciding appeals.

It also helps redefine the practical implications of the localism agenda, and should help to allay the concerns about it leading to 'NIMBYism'.

Stimulating development

Financial incentives are being introduced to encourage local authorities to allow homes to be built in their areas. Under the New Homes Bonus scheme, coming into effect from this month, a Council will receive a Government subsidy equating to the Council Tax charge on the home concerned, each year for six years (with a supplement for affordable housing). In addition, the Community Infrastructure Levy regulations are to be redefined, to allow local communities to receive a proportion of the charge payable by developers to cover infrastructure costs associated with their development.

Amendments to the Use Classes Order and/or General Development Order are mooted. In particular, these are likely to allow at least some degree of automatic change of use from business to residential. Consultation is expected shortly. Whilst it remains to be seen how far this will be taken, it could well open up new opportunities for new housing development.

In addition, a new wave of Enterprise Zones is being designated, within which there will be incentives, including business rates relief, capital allowances (on plant and machinery) and simplified planning rules.

In London, Mayoral Development Corporations are to be established, to act as special-purpose vehicles to stimulate regeneration.

Experiments are to be conducted in allowing local authorities to auction development land – both publicly and privately owned - and the 'community right to build' is being progressed, with a view to allowing limited scale housing development.

Landowners and developers should recognise the opportunities that now exist, and take steps to promote development before further changes occur which might begin to close the window of opportunity again. ▶

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► Plan-making

It is still the Government's intention to scrap Regional Spatial Strategies, though these continue to apply for the time being. It appears that there will in future continue to be strategic planning, as a result of local authorities being under a duty to co-operate, possibly through Local Enterprise Partnerships. Furthermore, it appears that local authorities will be under a duty to maintain a sufficient supply of land for development.

District and Borough Councils will continue to prepare Local Development Frameworks (LDFs), and they will have an added incentive to do so, since, if there is not an up-to-date development plan in place in the future, the Presumption in Favour of Sustainable Development will apply, meaning in effect a loss of control.

Councils are directed to make every effort to "identify and meet the housing, business and other development needs of their areas, and respond positively to wider opportunities for growth, taking full account of relevant economic signals such as land prices." It will be crucial that these needs are assessed realistically, making use of reliable data and research on unmet housing needs and paths to economic growth.

The Localism Bill is paving the way for Neighbourhood Plans (NPs) and Neighbourhood Development Orders (NDOs). These will, however, be much more circumscribed than was originally expected, in that they will have to conform with the LDF and pay regard to the Presumption, and the legislation is unlikely to take effect until at least Spring 2012. It is now intended that businesses will be able to promote NPs and NDOs, which could create a valuable new mechanism by which landowners and developers may be able to promote development.

Overall

Roger Hepher, Savills Head of Planning, commented:

"After a prolonged period during which it appeared as though the Coalition Government's policies might tend to frustrate development rather than stimulate it, the position now looks much brighter. Landowners and developers should recognise the opportunities that now exist, and take steps to promote development before further changes occur which might begin to close the window of opportunity again."

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