

Planning and the Budget

Today's Budget and Growth Review update sets out ambitious proposals to ensure the planning system does everything possible to support economic growth and sustainable development, helping to re-build Britain's economy. These measures complement wider reforms underway to the planning system, including removing ineffective top-down central targets and encouraging local councils to bring forward more homes through incentives to share in the benefits of growth. Below is a summary of the proposals announced by the Chancellor.

A new presumption in favour of sustainable development

This is a powerful new principle underpinning the planning system that will help to ensure that the default answer to development and growth is "yes" rather than "no", except where this would clearly compromise the key sustainable development principles in national planning policy, including protecting the Green Belt and Areas of Outstanding Natural Beauty. The presumption will give developers, communities and investors greater certainty about the types of applications that are likely to be approved, and will help to speed up the planning process and encourage growth. A draft wording of the presumption will be published for consultation in May 2011.

A pro-growth national policy planning policy statement

Vast amounts of paperwork and bureaucracy have made the planning system too cumbersome and complicated for councils, developers and local people to use properly. This has acted as a brake on growth and development. The Government intends to bring clarity to the system by combining all national planning policies into one concise, easy to use document called the National Planning Policy Framework. It will contain the Government's key economic, social and environmental objectives and planning policies to deliver them. At the heart of the framework will be the presumption in favour of sustainable development. The framework will be published for consultation later this year with the aim of finalising it by the end of 2011, if that is possible.

Changes to permitted development rights to cut red tape

At the moment any developer wishing to change vacant and derelict offices into new homes has to apply for planning permission to change the use of the land. The Government believes this bureaucracy makes no sense when plenty of empty office blocks, warehouses and business parks are lying needlessly empty, waiting to be turned into much needed new housing. Ministers are proposing to scrap the requirement to get permission for this change of use, incentivising growth and giving a much needed boost to housing supply, and will consult on this shortly. The Government will also launch an urgent review of the Use Classes Order, which determines how a building can be used, for example as a shop or office. The review will examine the role the Use Classes system can play in supporting growth.

Immediately prioritising growth and jobs

Some reforms to the planning system will take time to deliver. But local authorities can start immediately prioritising growth in the decisions that they take locally. The Government has today made clear its expectation that every council should be firmly on the front foot in encouraging and supporting growth. Local authorities should be pressing ahead without delay in preparing up-to-date development plans which set out the opportunities for growth in their areas. Councils must ensure they are not imposing any unnecessary burdens in the way of development. Where development has stalled, councils should be open to reviewing section 106 agreements at the request of developers, and look at making possible amendments to get growth underway. Section 106 agreements require developers to make contributions to the cost of related infrastructure such as new schools and roads.

Piloting elements of the land auctions model

One of the biggest barriers to development is the shortage of land available with planning permission to build on. The Government is interested in testing the potential of land auctions to bring forward land for development, improve competition and provide greater certainty for developers. We will pilot elements of the approach on public sector land through auctioning parcels of land with planning permission. The outcomes of the pilot will inform our next steps for looking at land auctions more widely.

Extending neighbourhood planning to businesses

Neighbourhood planning is a radical new right being introduced in the Localism Bill. It will allow communities to create their vision of what their area should look like: where new shops, offices or homes should go. Local people will be able to define types of development which will have automatic planning permission. This is known as a Neighbourhood Development Order. Neighbourhood plans will give communities a much greater say on what gets built, but must be in line with wider ambitions for growth in the council's development plan. If approved by a local referendum, the neighbourhood plan will need to be adopted by the council. The Government will today extend to businesses the right to initiate Neighbourhood Plans and Neighbourhood Development Orders. This will encourage growth by reducing the need to apply for planning approval in order to develop. Businesses will need to work closely with and win the approval of local communities in order to establish a neighbourhood plan or order.

Removal of arbitrary Whitehall targets

In line with its commitment to make the planning regime more responsive to economic demand and the needs of local communities, the Government will, through the National Planning Policy Framework, remove the Whitehall target specifying the levels of housing development that should take place on previously developed land. As has been evident in the debate over 'garden grabbing', the definition of previously developed land has become discredited.

In some areas, the cocktail of centrally imposed targets have had perverse outcomes - resulting in imbalances in provision such as between blocks of flats and family homes with gardens. Localism requires removing the comfort blanket of national targets and putting local people back in charge. As indicated in the Coalition Agreement, we will be maintaining strong policy protection for the environment, including maintaining the Green Belt, National Parks, Sites of Special Scientific Interest, Areas of Outstanding Natural Beauty and other environmental protections.

Removing bureaucracy from planning applications

The Government intends to promote development by simplifying and speeding up the planning application process. This will include a 12-month guarantee for the processing of all planning applications, including appeals which have been made in a timely fashion. The Government will consult on proposals to make outline and other applications simpler, and on other streamlining measures.

New duty for councils to co-operate on planning issues

The Government's pro-growth reforms will ensure really powerful economic co-operation between councils. The Localism Bill will place a new Duty to Co-operate on councils to work together to address planning issues that impact beyond local boundaries, such as on transport, housing, or infrastructure. Councils are already operating in natural economic areas that stretch beyond traditional boundaries through 31 local enterprise partnerships.

Fast track, democratic system for major infrastructure applications

The Government is returning democratic accountability to decision making on applications for major infrastructure projects like wind farms, power stations and road schemes. The new Major Infrastructure Unit will maintain the stability and speed of the current fast track system for applications, but decisions will be made by Ministers rather than unelected officials. The Major Infrastructure Planning Unit will be at the forefront of helping to deliver the growth and investment in this country and key to ensuring an infrastructure planning system fit for the 21st century.

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