

# The Daily Telegraph

29.06.2010

## Tax 'bribes' to head off Nimby protest

By James Kirkup  
and Christopher Hope

HOUSEHOLDS will be offered reductions in their council tax bills to persuade them to give the go-ahead to controversial building projects such as housing developments, power plants and wind farms.

George Osborne, the Chancellor, yesterday said new planning rules would give residents "economic incentives" to approve developments.

The incentive scheme is part of an overhaul of planning rules that will result today in the abolition of a Labour quango that had the power to force through planning decisions despite local objections.

The Infrastructure Planning Commission will be replaced with a "fast-track" planning process where final decisions will be taken by ministers in no more than a year.

The abolition of the commission is part of a shift that ministers say will put more power over planning decisions in the hands of local people and their representatives.

The approach has alarmed some business leaders, who fear it will be harder to get approval for major building projects such as nuclear power plants and railway lines, which many claim are needed for Britain's future prosperity.

Many companies argue that existing planning laws make it too easy for residents to take a "not in my back yard" or Nimby attitude by objecting to new developments.

Ministers will offer financial incentives, hoping to persuade potential Nimbys to change their views. Mr Osborne told a

group of chief executives in London that new rules would provide incentives for communities to drop objections to controversial projects.

Officials are drawing up plans to let local authorities keep the additional tax revenues generated by major developments in their area, instead of handing them back to central government.

In the case of housing developments, the Treasury will offer extra funding, matching the council's additional revenues pound-for-pound for six years.

The money councils gain from developments could then be used to reduce council tax or local business rates. People in areas that object to new developments would therefore face higher taxes than those who consent.

Mr Osborne said communities saw none of the economic gain that could come from a planning decision. "We want to change that to give people a positive incentive."

Under existing planning gain rules, councils can put conditions on developers in exchange for approval, such as a commitment to include affordable housing. The new rules will give councils a direct financial payment from new developments.

Plans in the Tory manifesto to encourage communities to accept sustainable projects such as wind farms were drawn up by Greg Clark, the decentralisation minister.

Speaking about scrapping the planning quango, he said it was important that ministers, not unelected commissioners, took decisions on infrastructure projects critical to economic growth.