



HOW

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KnowHOW

Essential reading for commercial property professionals who need to be in the know

March 2011

THE BUDGET AND 'THE PLAN FOR GROWTH'

The Chancellor of the Exchequer in his Budget has brought the focus of growth and the planning reform together. Large parts of the Budget contained the Government's intentions for the planning system. This is accompanied by a 126 page report issued by HM Treasury and the Department for Business Innovation and Skills (BIS) entitled 'The Plan for Growth'.

Through these measures it appears the Government is seeking to demonstrate its willingness to take decisive action and promote long-term sustainable economic growth. The Government acknowledges that for sustainable growth to be driven by private sector investment and enterprise the Government needs to act in a way that supports growth rather than hampers it. The Plan for Growth is envisaged to compliment the wider reforms already under way in the planning system.

Below is a summary of the proposals announced by the Chancellor.

- The National Planning Policy Framework: The Government intends to cut the level of paperwork (and thus bureaucracy), associated with the planning system by combining all national planning policies into one concise document, this will be called the National Planning Policy Framework. The Government expects to publish this Framework for consultation later this year with the aim of finalising it by the end of 2011 (if possible).
- Remove Whitehall targets: Through the National Planning Policy Framework, the Government will remove the targets that specify the level of development that must take place on previously developed land, policy protection will remain on Greenbelt land, National Parks, Sites of Special Scientific Interest, Areas of Outstanding Natural Beauty and other environmental protections.
- Promotion of jobs and growth: The Government are encouraging Local Authorities to press ahead with up to date Development Plans that clearly set out the areas opportunities for growth. The Government are advising that where there are instances that development has stalled, if requested by developers Council's should review Section 106 Agreements and allow amendments where this would encourage growth.
- Speeding up the planning system: The Government will provide a 12-month guarantee for processing all planning applications including appeals and is intending to consult on new proposals to make outline applications simpler.
- The New Major Infrastructure Unit: This will seek to deliver growth and investment and to do this will operate a fast-track system for applications, however decisions will be made by Ministers rather than unelected officials.



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- A presumption in favour of sustainable development: The Government's default position to development and growth that is sustainable will be "Yes" as long as it does not conflict with national planning policy including protection of Greenbelt. The Government envisages this presumption will give developers greater certainty over the types of applications that are likely to be approved. The Government intend to publish the draft wording of this presumption in May 2011.
- Commercial use to residential: The Government is proposing to remove the need to apply for planning permission to change a commercial building to residential. In addition there will be a full review of the Use Class Order to examine its role in supporting The Plan for Growth.
- Land Auctions: The Government will test the ability of local auctions to reduce the shortage of land available to developers, this will be tested initially through the auctioning of parcels of public sector land with planning permission.
- Neighbourhood Planning: The Localism Bill has already introduced the ability for communities to have a much greater say on development in their area. The Government will now extend this right to businesses, with the introduction of the ability for businesses to initiate Neighbourhood Development Orders thus encouraging growth without the need to apply for planning permission.
- Enterprise Zones: 21 Enterprise Zones will be set up within existing LEP areas with reduced planning controls (what these will be are unknown at present). Alongside this Local Authorities will be able to keep all business rates in these Zones for 25 years to spend on development priorities.

In addition, the Government will work with Local Authorities to speed up planning decisions on surplus military land and provide equity loans (up to 20%) to 10,000 first time buyers to buy a new build property.

Consultation and discussion documents on many of the above themes are expected to be published in the next few days/weeks. HOW will keep you up to date on the implications these may have on the commercial, residential, retail and leisure property sectors.

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