

Coalition Government announcements on strategic planning

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Introduction

This RTPI briefing note focuses on policy initiatives by the current Government in relation to planning. The nature of devolved powers and responsibilities with reference to planning means that this Briefing Note refers only to England.

It is worth noting that the Minister for Decentralisation, Rt. Hon. Greg Clark MP, made a speech setting out some of the thinking behind the proposals set out below at the 2010 Planning Convention. His speech followed one by the RTPI President, Ann Skippers, who set out the RTPI's position. Both speeches can be viewed on YouTube at <http://www.youtube.com/user/theRTPI>.

The Coalition Agreement

The Coalition Agreement was published on 20th May 2010¹. Those elements directly related to strategic planning are²:

Planning

- *We will rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils, including giving councils new powers to stop 'garden grabbing'.*
- *In the longer term, we will radically reform the planning system to give neighbourhoods far more ability to determine the shape of the places in which their inhabitants live, based on the principles set out in the Conservative Party publication Open Source Planning.*
- *We will publish and present to Parliament a simple and consolidated national planning framework covering all forms of development and setting out national economic, environmental and social priorities.*
- *We will maintain the Green Belt, Sites of Special Scientific Interest (SSSIs) and other environmental protections, and create a new designation – similar to SSSIs – to protect green areas of particular importance to local communities.*
- *We will provide incentives for local authorities to deliver sustainable development, including for new homes and businesses.*
- *We will create a presumption in favour of sustainable development in the planning system.*

footnotes

¹ HM Government (2010) *The Coalition: our programme for government*
http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf

² There are other elements which are relevant to strategic planning – particularly those related to Energy and Climate Change and to the Olympics.

Local Government

- We will promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include a review of local government finance.
- We will phase out the ring-fencing of grants to local government
- We will freeze Council Tax in England for at least one year, and seek to freeze it for a further year, in partnership with local authorities.
- We will create directly elected mayors in the 12 largest English cities, subject to confirmatory referendums and full scrutiny by elected councillors.
- We will give councils a general power of competence.
- We will implement the Sustainable Communities Act, so that citizens know how taxpayers' money is spent in their area and have a greater say over how it is spent.
- We will cut local government inspection and abolish the Comprehensive Area Assessment.
- We will require all councils to publish meeting minutes and local service and performance data.
- We will create new trusts that will make it simpler for communities to provide homes for local people.

Institutions

- We will abolish the Government Office for London and consider the case for abolishing the remaining Government Offices.

Deficit Reduction

- We recognise that deficit reduction, and continuing to ensure economic recovery, is the most urgent issue facing Britain.
- We will significantly accelerate the reduction of the structural deficit over the course of a Parliament, with the main burden of deficit reduction borne by reduced spending rather than increased taxes.
- We will reduce the number and cost of quangos.

Party Manifestos

Whilst the Coalition Agreement sets out the definitive programme for Government, other key documents – notably the party Manifestos (The Conservative Party Manifesto – *Invitation to join the Government of Britain*³ and the *Liberal Democratic Manifesto 2010*⁴) and the Conservative Party Green Paper on *Open Source Planning*⁵ – provide very useful insights into Government thinking and possible future actions.

footnotes

³ http://media.conservatives.s3.amazonaws.com/manifesto/cpmanifesto2010_hires.pdf

⁴ http://network.libdems.org.uk/manifesto2010/libdem_manifesto_2010.pdf

⁵ Conservative Policy Green Paper No.14

http://www.conservatives.com/News/News_stories/2010/02/New_homes_and_jobs_through_Open_Source_Planning.aspx

Appendix A to this Briefing Note sets out those parts of the Conservative and Liberal Democratic Manifestos that related to planning. All those interested in the Government's approach to planning will need to read *Open Source Planning* in full.

Reducing the Budget Deficit

Of immediate importance to planning is the Agreement's stance on reducing public expenditure and, thus, the budget deficit. The agreement states that:⁶

The parties agree that modest cuts of £6 billion to non-front line services can be made within the financial year 2010-11, subject to advice from the Treasury and the Bank of England on their feasibility and advisability.

The initial announcement⁷ as to how this would be achieved was made on Monday 23rd May. Of particular importance to housing are:

- Overall cuts to the DCLG budget of £780m – the highest proportionally for any Government Department;
- Cuts to CLG's local government budget of £405m
- Local government overall to have cuts of £1,165m through *reductions to individual grants*;

Budget 2010

The 2010 Budget was delivered on 22nd June 2010. The following are extracts (with paragraph numbers) from the Budget report⁸ which are of particular relevance to infrastructure planning and investment, regional development and the environment.

Departmental Spending

1.40 *Based on these implied Departmental Expenditure Limit (DEL) figures, and once the Government's commitments on protecting health and overseas aid are taken into account, other departments could see average real cuts to their budgets of around 25 per cent over the four years. The final split between Annually Managed Expenditure (AME) and DEL will be decided at the Spending Review [announced for 20th October 2010], and any further AME savings will reduce the size of cuts to departmental budgets.*

Regional Development

1.8 *Measures to promote enterprise will reduce regulation and tax rates and refocus support towards infrastructure, the low-carbon economy, and regional development.*

footnotes

⁶ *The parties agree that deficit reduction and continuing to ensure economic recovery is the most urgent issue facing Britain. We have therefore agreed that there will need to be: a significantly accelerated reduction in the structural deficit over the course of a Parliament, with the main burden of deficit reduction borne by reduced spending rather than increased taxes;*

⁷ http://www.hm-treasury.gov.uk/d/press_04_10.pdf

⁸ HM Treasury (2010) *Budget 2010*, HM Stationery Office
http://www.hm-treasury.gov.uk/d/junebudget_complete.pdf

1.87 The Government's strategy to support private sector enterprise in all parts of the UK aims:

- to encourage the creation of private sector jobs in regions reliant on public sector employment, through reducing the cost to new businesses of employing staff. **The Government will shortly announce details of a scheme to help new businesses in targeted areas of the UK that need it most. During a three year qualifying period, new businesses which start up in these areas will get a substantial reduction in their employer National Insurance Contributions (NICs).** ...; and
- to help areas and communities particularly affected by reductions in public spending make the transition to private sector-led growth and prosperity, **the Government will create a Regional Growth Fund in 2011-12 and 2012-13. This Fund will operate in England only and support increases in business employment and growth.** The Devolved Administrations will be encouraged to undertake similar action.

1.89 The Government will enable locally-elected leaders, working with business, to lead local economic development. As part of this change, Regional Development Agencies will be abolished through the Public Bodies Bill. **A White Paper later in the summer will set out details of these proposals. As part of this, the Government will:**

- **support the creation of strong local enterprise partnerships**, particularly those based around England's major cities and other natural economic areas, to enable improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development;
- **consider the most appropriate framework of incentives for local authorities to support growth**, including exploring options for business rate and council tax incentives, which would allow local authorities to reinvest the benefits of growth into local communities; and
- as part of the shift to a more locally driven planning regime, **promote the role for a simplified planning consents process in specific areas where there is potential or need for business growth, through use of Local Development Orders.**

Infrastructure

1.81 The Government recognises the important role investment in infrastructure plays in supporting economic growth and UK competitiveness. As the Government acts to reduce the fiscal deficit, it will continue to encourage increased funding for infrastructure projects from the private sector. It will target public sector investment in infrastructure on those projects with the greatest economic benefit for which private sector capital is not available.

1.82 As set out in the deficit reduction section of this chapter, apart from the capital element of the £6.2 billion savings in 2010-11 (worth £2 billion a year until 2015-16), the Government will make no further cuts in public sector gross investment compared with the plans that it inherited. Instead it will undertake a fundamental review of all capital spending plans to ensure they are affordable and to identify the areas of spending that will achieve the greatest economic returns.

1.83 This Budget confirms the establishment of Infrastructure UK (IUK) to lead work within HM Treasury to enable greater private sector investment in infrastructure, and improve the Government's long-term planning and delivery. In the autumn, the Government will publish

a national infrastructure plan that will set out goals for UK infrastructure. This will include priority public and private sector investments and proposals for delivering and supporting investment on a cross-sector basis. IUK will also carry out an investigation into how to reduce the cost of delivery of civil engineering works for major infrastructure projects. This will be chaired by Terry Hill (Chair of Transport Market, Arup).

Low-carbon economy

1.78 The Government is also determined to address other barriers to investment in the low-carbon economy. Following the Spending Review, the Government will put forward detailed proposals on the creation of a Green Investment Bank to help the UK meet the low-carbon investment challenge.

1.79 The Government will establish a Green Deal for households through legislation in the Energy Security and Green Economy Bill, to help individuals invest in home energy efficiency improvements that can pay for themselves from the savings in energy bills. These improvements provide substantial and cost-effective carbon reductions but the initial cost can be significant, especially for low-income households. The Government will also continue to work on green financial products to provide individuals with opportunities to invest in the infrastructure necessary to support the green economy.

The spending envelopes for each Government Department will be announced in early July and the Comprehensive Spending Review⁹ will be announced on 20th October 2010.

Decentralisation and Localism Bill

The Queen's Speech, setting out the Coalition's legislative programme for the current Parliament was given on 24th May 2010. The speech announced 24 Bills¹⁰. These included the [Welfare Reform Bill](#), [Energy Security and Green Economy Bill](#), and [Public Bodies \(Reform\) Bill](#).

The most immediately relevant is the Decentralisation and Localism and Bill designed to *devolve greater powers to councils and neighbourhoods and give local communities control over housing and planning decisions.*

The main relevant elements of the Bill are¹¹:

- Abolish Regional Spatial Strategies;
- Return decision-making powers on housing and planning to local councils;
- Abolish the Standards Board regime;
- Give councils a general power of competence;
- Give residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases;

footnotes

⁹ The Government's approach to the Spending Review is set out at http://www.hm-treasury.gov.uk/d/spending_review_framework_080610.pdf

¹⁰ <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/05/queens-speech-2010-2-50580>

¹¹ <http://www.number10.gov.uk/queens-speech/2010/05/queens-speech-decentralisation-and-localism-bill-50673>

- Greater financial autonomy to local government and community groups;
- Create Local Enterprise Partnerships (to replace Regional Development Agencies) – joint local authority-business bodies brought forward by local authorities to promote local economic development;
- Outright abolition of Home Improvement Packs;
- Create new trusts that would make it simpler for communities to provide homes for local people;
- Review Housing Revenue Account.

Other Announcements

Housing targets

On 27th May 2010, the Secretary of State signed a letter¹² to all Chief Planners in England which stated that:

... decisions on housing supply (including the provision of travellers sites) will rest with Local Planning Authorities without the framework of regional numbers and plans. ... I expect Local Planning Authorities and the Planning Inspectorate to have regard to this letter as a material planning consideration in any decisions they are currently taking.

Housing and Planning Delivery Grant

On 10th June 2010, the Government published details of the £1.66bn Local Government Contribution to the £6.2bn savings. This package included a £146m cut in the allocation for Housing and Planning Delivery Grant – 100 per cent of the allocation announced by the previous government in April 2010.

'Garden Grabbing' and Housing Densities

On 15th June, the DCLG Chief Planner wrote to all Local Planning Authorities:

to confirm that the Government has amended Planning Policy Statement 3: Housing (PPS3) with the following changes:

- *private residential gardens are now excluded from the definition of previously developed land in Annex B*
- *the national indicative minimum density of 30 dwellings per hectare is deleted from paragraph 47*

... Local Planning Authorities and the Planning Inspectorate are expected to have regard to this new policy position in preparing development plans and, where relevant, to take it into account as a material consideration when determining planning applications

Power for councils to manage shared homes in their area

On 17th June 2010, Grant Schapps MP announced that:

... changes to legislation will give councils the freedom to choose areas where landlords must submit a planning application to rent their properties to unrelated tenants - known as Houses in Multiple Occupation (HMOs)¹³.

footnotes

¹² ADD Ref

Relaxation of planning laws and building regulations for new schools

On 18th June 2010, Education Secretary Michael Gove ordered a relaxation of planning laws and building regulations for new schools. Mr Gove said:

We're proposing to change the use class system to make it easier for buildings which are currently being used as, or classed as, residential or commercial to be converted to school use, and we're also planning to relax some of the rather onerous building regulations that prevent schools being created.

Local Housing Trusts to bypass planning

Speaking at the Community Land Trusts (CLT) conference on 29th June housing minister, Grant Shapps said a forthcoming government bill would include measures to enable local housing trusts (LHT) to be set up to provide community-led affordable housing developments. Under the proposals for local housing trusts, communities would be able to grant themselves planning permission without having to go through statutory planning procedures.

Initially, the support of at least 90% of the community would be needed to allow a scheme to go forward without a planning application. But Mr Shapps suggested that this threshold could eventually be relaxed if LHTs proved a success. 'We want to get the proposals moving in a non controversial way,' he said.¹⁴

Regional Growth Fund

On June 29th, Deputy Prime Minister Nick Clegg launched a £1 billion Regional Growth Fund to help areas and communities at risk of being particularly affected by public spending cuts. The fund, which will operate in 2011/2012 and 2012/2013 will help areas most dependent on public sector employment as the country makes the transition to private sector-led growth and prosperity. Both private bodies and public-private partnerships will be able to bid for funding by demonstrating that their proposal will bring in private investment and support sustainable increases in private sector jobs and growth in their area.

Local Enterprise Partnerships

Nick Clegg also set out plans for Local Enterprise Partnerships (LEPs) on 29th June. These will bring together councils and business on an equal footing with one voice, replacing the current Regional Development Agencies (RDAs). In a joint letter¹⁵ sent to councils and business leaders, Business Secretary Vince Cable and Communities Secretary Eric Pickles have asked them to consider forming new local enterprise partnerships that can provide strategic leadership in their local areas and create the right environment for business success and economic growth.

footnotes (cont.)

¹³ It is estimated that as many as 8,500 planning applications could be submitted each year if every landlord looking to turn their property into a HMO is first required to seek permission - instead, councils will be able to focus their efforts in particular neighbourhoods where HMOs present a problem, while landlords of HMOs in other areas will not be tied up in red tape.

¹⁴ New Start

¹⁵ <http://www.communities.gov.uk/documents/newsroom/1626430.pdf>

Importantly, the letter stated that:

Partnerships will ... want to create the right environment for business and growth in their areas by tackling issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to the low carbon economy.

Outline proposals for LEPs from local authorities are required not later than 6th September 2010.

White Paper on Local and Regional Growth

On 29th June, Nick Clegg also announced that further details of the Regional Growth Fund, and the creation of LEPs, will be set out in the forthcoming White Paper on local and regional growth.

National Housing and Planning Advice Unit

In a letter to stakeholders on 29th June, Richard McCarthy, Director General of housing and planning at the Department for Communities & Local Government, said the National Housing & Planning Advice Unit would close ... with immediate effect.” The letter stated that:

This does not mean that the new government is any less committed to increasing housing supply. However, it favours a bottom-up rather than top-down approach that allows local communities to control the way in which villages, towns and cities develop through local plans.

The Commission for Rural Communities

In a statement to Parliament on 29th June, the Secretary of State for Environment, Food and Rural Affairs (Caroline Spelman) said:

The Government is committed to improving the quality of life for those living and working in rural areas and intends to put the fair treatment of rural communities at the centre of Government. Ministers will lead rural policy from within my Department; I have accordingly decided to abolish the Commission for Rural Communities as an independent body.

The Government believes policy advice should be carried out by Departments, not arms length bodies. Defra will, therefore, reinforce its capacity to undertake rural work within the Department; a strengthened Rural Communities Policy Unit will work across Government to ensure that the interests of rural communities are fully reflected in policies and programmes.

The Infrastructure Planning Commission

The DCLG announced the proposed abolition of the Infrastructure Planning Commission (IPC) on 29th June 2010. The press release¹⁶ stated that:

A Major Infrastructure Planning Unit will be established in the Planning Inspectorate to continue fast-tracking major infrastructure projects like offshore windfarms and nuclear power stations. Ministers will take decisions on applications within the same statutory fast-track timeframe as the current regime.

In addition, all National Policy Statements (NPS), the Government's future infrastructure blueprints, will now be subject to ratification by Parliament. Ministers believe these critically important national documents must have the strongest possible democratic legitimacy.

footnotes

¹⁶

<http://www.communities.gov.uk/newsstories/newsroom/1626268>

It is understood that the legislation to achieve this change will be enacted through the Decentralisation and Localism Bill and not through the Public Bodies (Reform) Bill and that, given the timetable for this and the need for negotiations to take place on setting up the new arrangement, the change may not happen until late 2011 or early 2012. Infrastructure developers have been told to assume business as usual and not to delay their programmes.

Merging Planning Departments

At the RTPI Parliamentary Reception on 30th June, the Secretary of State for Communities and Local Government, Rt. Hon. Eric Pickles MP, stated that he would be 'encouraging' smaller local authority planning departments to merge.

Revocation of Regional Strategies

On 25th June, the Secretary of State for Communities and Local Government, Rt. Hon. Eric Pickles MP, wrote a letter to the Chancellor to ask for clearance for the revocation of Regional Strategies. On 6th July he announced their revocation in a statement to Parliament¹⁷ and in a letter to Chief Planning Officers¹⁸.

The revocation was achieved through the use of s79(6) of the *Local Democracy, Economic Development and Construction Act 2009* which states that:

If the Secretary of State thinks it necessary or expedient to do so the Secretary of State may at any time revoke all or any part of a regional strategy.

The statement to Parliament confirmed that:

The abolition of Regional Strategies will require legislation in the "Localism Bill" which we are introducing this session. However, given the clear coalition commitment, it is important to avoid a period of uncertainty over planning policy, until the legislation is enacted. So I am revoking Regional Strategies today in order to give clarity to builders, developers and planners.

The Secretary of State's letter of 6th July set out the position on a number of issues related to RSS and to national planning policy. These include:

- The implication that PPSs are to be replaced – rather than supplemented – by the proposed National Policy Framework;
- The fact that, after revocation, the development plan will consist of only adopted DPP documents; saved policies and unlapsed old style plans;
- Encouragement to continue the process of LDF preparation;
- Planning data and research held by the Leaders' Boards will still be available;
- Local authorities should continue to maintain a 5-year housing supply;
- A range of advice on the effect of the revocation of RSSs on planning for housing, the evidence base, flooding, the low carbon economy, transport, gypsies and travellers, waste, minerals.

footnotes

¹⁷ <http://www.communities.gov.uk/statements/corporate/regionalstrategies>

¹⁸ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf>

Incentives

The Secretary of State's statement to Parliament on 6th July made it clear that:

Imposed central targets will be replaced with powerful incentives so that people see the benefits of building. The coalition agreement makes a clear commitment to providing local authorities with real incentives to build new homes. I can confirm that this will ensure that those local authorities which take action now to consent and support the construction of new homes will receive direct and substantial benefit from their actions. Because we are committed to housing growth, introducing these incentives will be a priority and we aim to do so early in the spending review period. We will consult on the detail of this later this year.

In a speech to the Local Government Association¹⁹ on the same day, the Secretary of State stated that:

Those housing incentives are the other side of the ending of the regional spatial strategies. Ideally, I would have liked to announce them together.

Consequences

The consequences of the Government's announcements – in particular the Secretary of State's 27th May letter have already been felt. For example, in June 2010, the following situation applied to LDF progress:

- **South Oxfordshire:** abandoned work on its core planning strategy
- **West Oxfordshire:** abandoned work on its core planning strategy
- **Surrey Heath:** abandoned work on its core planning strategy
- **Vale of Whitehorse:** abandoned work on its core planning strategy
- **Bristol:** housing part of public examination of core strategy delayed
- **Castlepoint:** housing part of public examination of core strategy delayed
- **Bury St Edmunds:** public examination of core strategy delayed to re-consult
- **South Wiltshire:** public examination of core strategy delayed to re-consult
- **Forest Heath:** suspended work on local development documents
- **Cotswold:** cut annual housing target from 345 to 300
- **South Northants:** deferring all applications submitted on basis of unidentified five-year land supply²⁰.

This section of the Briefing Note will need updating as more information becomes available.

footnotes

¹⁹ <http://www.communities.gov.uk/speeches/corporate/lgaconference2010>

²⁰ Source: House Builders Association - ref

Appendix A: Party Manifestos and Planning

Conservative Party Manifesto

Britain's complex and unwieldy planning system has long been cited as a significant barrier to growth and wealth creation. We will create a presumption in favour of sustainable development in the planning system. We will abolish the unelected Infrastructure Planning Commission (IPC) and replace it with an efficient and democratically-accountable system that provides a fast-track process for major infrastructure projects.

Our reform agenda is designed to empower communities to come together to address local issues. For example, we will ... give neighbourhoods greater control of the planning system,

These policies will give new powers and rights to neighbourhood groups: the 'little platoons' of civil society – and the institutional building blocks of the Big Society.

The planning system is vital for a strong economy, for an attractive and sustainable environment, and for a successful democracy. A Conservative government will introduce a new 'open source' planning system. This will mean that people in each neighbourhood will be able to specify what kind of development they want to see in their area. These neighbourhood plans will be consolidated into a local plan.

We will abolish the entire bureaucratic and undemocratic tier of regional planning, including the Regional Spatial Strategies and building targets. Developers will have to pay a tariff to the local authority to compensate the community for loss of amenity and costs of additional infrastructure. The tariff will replace the payments and levies on development that have grown up under Labour. A portion of this tariff will be kept by the neighbourhoods in which a given development takes place, providing clear incentives for communities which go for growth.

Significant local projects, like new housing estates, will have to be designed through a collaborative process that has involved the neighbourhood. Immediate neighbours will have a new role – with a faster approvals process for planning applications where neighbours raise no objections.

At the national level, for all forms of development, we will publish and present to Parliament for debate a simple and consolidated national planning framework, which will set out national economic and environmental priorities.

To give communities greater control over planning, we will:

- abolish the power of planning inspectors to rewrite local plans;*
- amend the 'Use Classes Order' so that people can use buildings for any purpose allowed in the local plan;*
- limit appeals against local planning decisions to cases that involve abuse of process or failure to apply the local plan;*
- encourage county councils and unitary authorities to compile infrastructure plans;*
- give local planning authorities and other public authorities a duty to co-operate with one another;*
- allow neighbourhoods to stop the practice of 'garden grabbing'.*

Communities should benefit when they choose to develop sustainably, so we will match pound-for-pound the council tax receipts that local authorities receive from new homes to encourage sensitive local development.

We will create new local housing trusts to allow communities to grant planning permission for new housing within villages and towns – so that the benefits of development remain within the local area.

Liberal Democratic Manifesto

Close loopholes that allow playing fields to be sold or built upon without going through the normal planning procedures.

Require a local competition test for all planning applications for new retail developments and establish a local competition office within the Office of Fair Trading to investigate anti-competitive practices at a local and regional level.

Abolish the Infrastructure Planning Commission and return decision making, including housing targets, to local people. We will create a third-party right of appeal in cases where planning decisions go against locally agreed plans.

Create a new designation – similar to Site of Special Scientific Interest status – to protect green areas of particular importance or value to the community. We will aim to double the UK's woodland cover by 2050.

We will stop 'garden grabbing' by defining gardens as greenfield sites in planning law so that they cannot so easily be built over.

Introduce landscape-scale planning policies with a specific remit to restore water channels, rivers and wetlands and reduce flood risk by properly utilising the natural capacity of the landscape to retain water.

Give local authorities the power to set higher Council Tax rates for second homes and the option to require specific planning permission for new second homes, in areas where the number of such homes is threatening the viability of a community.