This Briefing looks at those parts of the 2011 Budget that most affect the planning system in England and sets out the RTPI’s initial reaction to them. While the Budget as a whole impacts on Scotland, Wales and Northern Ireland, the planning provisions focus on England.

**Planning and Enterprise**

The Chancellor introduced the planning system into his [speech](#) by stating that, planning is a “chronic obstacle to economic growth”. This statement followed on from a number of similar statements with the Prime Minister including planners amongst the ‘enemies of enterprise’, the Business Secretary of State for Business Skills & Enterprise saying that the market in land is dysfunctional and distorted, by amongst other things, a slow, prescriptive planning regime and the Secretary of State for Communities & Local Government calling the planning system “the drag anchor to growth.”

The RTPI has deplored this rhetoric and has characterized the Communities Secretary’s statement as an “ill-informed attack on planning and an attempt to make media headlines and to pander to some of the more popular myths about the planning system.”

**The Plan for Growth**

The Minister of State for Decentralisation made a [Written Ministerial Statement](#) on 23 March 2011, setting clear expectations that local planning authorities and other bodies involved in granting development consents should prioritise growth and jobs and should have up-to-date development plans.

The Budget provisions that most affect planning are all described in [The Plan for Growth](#), published by HM Treasury and BIS on 23rd March. These are set out below.

**Prioritising growth and jobs**

The Decentralisation Minister’s statement points out that, ‘the Government’s top priority in reforming the planning system is to promote sustainable economic growth and jobs.’

The RTPI believes that planning is essential to growth and promotes an approach to planning that seeks to hit the triple targets of environmental, social and economic sustainability. We believe that the prioritisation of one of these aspects above the others will mean that the environment and the other benefits that planning brings may well suffer.

**A new presumption in favour of sustainable development**

This had already been announced in the May 2010 Coalition Agreement but the 2011 Budget announcement described this as meaning that ‘the default answer to development is ‘yes’ except where this would compromise the key sustainable development principles set out in national planning policy.’ The Government has announced that it will publish the draft presumption in May 2011.

The RTPI has asked ‘where the incentive will be in the future for developers to address issues such as climate change, environmental protection, design quality and affordable housing’ and we will be highlighting the risks of this approach.
The RTPI will seek to establish whether this presumption will in effect mean an end to the plan led system.

The RTPI will be dispelling the myth that the planning system is negative – in the third quarter of last year 92 per cent of major office schemes and 96 per cent of minor ones were approved.

producing an inherently pro-growth National Planning Policy Framework (NPPF)

This has already been announced in the 2010 Coalition Agreement.

The RTPI has welcomed the proposal for an NPPF and has submitted evidence to the Decentralisation Minister’s call for evidence on the content of the NPPF and will be working closely with others to try to ensure that it is as effective, focused and valuable to the planning system as possible.

enabling businesses, as well as residents, to bring forward neighbourhood plans and neighbourhood development orders

The RTPI supports the involvement of business in neighbourhood planning but will be seeking to ensure that this is done in partnership with local residents in mixed residential and commercial areas.

a pilot of a “land auctions” model, starting with public sector land

Land auctions were first suggested in a 2007 report by Tim Leunig for the Liberal Democrats.

The RTPI does not see how the current proposal – for Government bodies to auction land with planning permission – differs from current processes. We will, however, be looking carefully at any extension of this scheme to privately owned land to ensure that sites are chosen against sustainability – as well as financial – criteria.

removing the 60 per cent national target for the re-use of previously developed land and allowing local planning authorities to set their own targets

This change from national to local targets is understandable under a localist agenda.

retaining existing controls on green belt

This fulfils a commitment in the 2010 Coalition Agreement but runs counter to a recent OECD report which stated that, in England, green belts ‘constitute a major obstacle to development around cities, where housing is often needed’.

The RTPI has long believed that the effectiveness of green belts in contributing to sustainable development needs to be reviewed and regrets the fact that, in a time of fundamental review of planning, this policy should remain sacrosanct and centralised.

consulting on proposals to make it easier to convert commercial premises to residential

This idea follows a report from the Policy Exchange think tank published six days before the budget.

The RTPI will be responding robustly to the consultation if this does not involve a formal planning application. If it does not, this is contrary to the spirit of localism in denying communities the opportunity to express their views on whether this change should take place; is at odds with the Government’s edict to priorities jobs and may lead to unintended impacts on localities.
undertaking a full review of the Use Classes Order

The RTPI will engage fully with this review

a 12 month guarantee for the processing of all planning applications, including any appeals

The RTPI understands that the 8 and 13 week targets for dealing with planning applications will remain. There may well have implications, therefore, for the time taken by PINS and by Ministers in dealing with appeals.

The RTPI will seek to establish whether there are to be any sanctions for not achieving this guarantee – such as the default position being approval.

ensuring a fast-track planning process for major infrastructure applications through the Major Infrastructure Planning system

This is an existing Government initiative.

The RTPI has pointed out that, drawing on past experience highlighted in the Barker Land Use Review, the addition of a Ministerial decision making period to the process of decision making on major infrastructure may contribute disproportionately to the time taken for decisions.

legislating to introduce a duty on local authorities and public bodies to require them to co-operate on planning issues

The Localism Bill contains a proposed duty to co-operate (Clause 90).

The RTPI considers that this Clause is not strong enough and has been working very closely with the DCLG and Ministers to put forward constructive proposals to strengthen this – which the Government has announced that it is looking favourably on an RTPI drafted amendment.

Local planning authorities should reconsider Sec. 106 agreements where these make a scheme unviable

The RTPI believes that, as understandable as this move in a time of economic uncertainty, this demonstrates a misunderstanding of the nature of Sec.106 agreements – which are designed to make a scheme approvable and implementable. It is relevant that the Treasury report on the ‘Budget 2011 policy costings’ does not attribute any cost to re-negotiating Sec. 106 agreements.

Setting up 21 Enterprise Zones with radically simplified planning approaches in the EZ, for example using existing Local Development Order powers

Enterprise Zones were first established under the previous Conservative Government. Research on their effectiveness shows that the jobs created were not necessarily new, were created at significant cost and resulted more from other incentives than the relaxation of planning.

The RTPI will be informing debate on the regimes for the new EZs. In particular, we will be seeking to demonstrate that proper planning is essential for attractive zones.