



Spatial Economics Research Centre

Friday, 26 February 2010

Conservative plans for planning

The Tories quietly published their [Green paper on planning](#) earlier in the week.

On the plus side, more local control over planning ("local decision over local plans") allows local authorities to better match local preferences. On the minus, this creates problems of coordination when costs and benefits are felt beyond local authority boundaries. There are two big areas where these problems arise - infrastructure provision and the overall supply of commercial and residential space.

On infrastructure provision, they plan to scrap the infrastructure planning commission and to go back to ministerial approval albeit with some tinkering aimed at speeding things up. So that's one step back (which may surprise some in light of the claim on an earlier page that: "Given the scale of the problems we face, piecemeal reform of the planning system is simply not an adequate response.")

On the supply of commercial and residential space they are being more radical. Out go top down (regional) regional plans and targets and the huge number of guidance notes; in come presumed consent for "sustainable development" (e.g. projects in line with the local plan and national guidelines) and financial incentives to allow more development.

The later issue will be key because the financial incentives will need to be large enough that local plans actually allow for development (presumed consent won't mean much otherwise). The financial incentive will come through the already announced council tax matching incentive. Given current local government financing arrangements it is not clear that this will be sufficient to encourage much increase in development land.

The other side to this coin is that you need to provide some kind of financial compensation to neighbours directly affected by new development. The green paper envisages this happening through private developers negotiating with neighbours. It will be interesting to see whether these financial incentives are sufficient to offset the greater power that local people will now be given to block new development (through their input in to the local plan).

If either sets of financial incentives (to local authorities or neighbours) turn out to be too small, then it will be important that upward adjustment is quick these reforms are to seriously address the supply problems that bedevil the current system.

Posted by [Prof Henry G. Overman](#) on [Friday, February 26, 2010](#)

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Tim said...

The ability of developers to compensate local people directly is already possible, and was covered in the Barker Review.

The 6x Council Tax is old money recycled within the planning system.

It is hard to see how the Tory plans amount to much change, therefore. They are publicising something developers have decided not to do, and relabeling and slightly changing an existing small revenue stream.

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