

Planning is The Root of all Development Evil - Apparently!

The business secretary Vince Cable has said that the "*market in land is dysfunctional, distorted by a slow and prescriptive planning regime and by speculative hoarding*". I don't think he meant an advertising hoarding.

The Minister also stated, "*Development and in particular badly needed construction, is paralysed, often in parts of the UK that need it most. That is why we are bent on planning reform, examining innovative ideas such as land auctions.*"

Now hold on there a moment. There is a fundamental assumption he is making here that a *slow and prescriptive planning regime* is a prime reason why development isn't happening. Slow? Maybe. Due to the infernal round of EU legislation that puts the future well-being of bats and bugs ahead of any realistic human needs. But prescriptive?

The whole point of the planning system is to ensure development goes in the right place in the correct way and meets an identifiable need. That's why Local Plans were invented (even though arguably they didn't prevent development in the middle of floodplains). Be that as it may, does Mr Cable honestly believe that in this increasingly crowded country a well established and time served planning system can be swept aside in the interests of 'causing construction to happen'. So, not for much needed development then, but just to get the construction industry back to work.

And how is this nirvana going to be achieved I hear you ask? Apparently a council would ask any local landowners to submit sealed-bid letters stating the price at which they would be willing to sell their land. This price would be binding and councils would be given the right to buy that land for a set period. (one wonders what with, given the cut backs, but anyway).

The council would then choose which land they would like to see developed and would grant that land planning permission (assuming I imagine that the proposal accords with any Local Plans and Neighbourhood Plans) and then auction the land with permission to developers. Cable claims the system would allow local authorities to capture almost all of the increase in land value created by allowing development.

Well, No. What landowner in his right mind isn't going to put a healthy price on his land and, if there are plenty of other contributors, local valuers are going to have a high old time trying to determine the open market price.

What if the land the Council can afford is not in an appropriate location for the development they think they can give planning permission for (I assume it will be housing and nothing else) - there's a great deal more to successful land buying than simply the price. And then what about the locals? Localism is going to play its part and this will certainly affect the speed of local decision-making.

So, we have a proposal that will inflate an already over-inflated land price market, potentially granting planning permission for the maximum value form of development irrespective of the suitability of the site (in order to max the revenue) whilst assuming that Localism is going to speed up the process. And the Government - bless them- think that they are capturing "*almost all of the increase in land value created by allowing development*". Development economics is not their strong point is it. Spot the deliberate mistake yet?

Answers on a post card please to Vince and his team and the winner will be allowed to laugh heartily at yet another futile attempt to pump prime the residential market in the absence of any ability to buy the property in the first place. Oops. Think I just gave the game away there. No one will notice.

The Government have evidently failed to remember the efforts by planners and developers a couple of years ago to have the renewal system for permissions reinstalled in order that developers could hit the ground running when the market came back. If they're not yet jogging it's got nothing to do with lack of land, or the currency of planning permissions. It has everything to do with a parlous and price sensitive domestic market. Find a way for banks to offer realistic mortgages that don't involve handing over your first born as surety and fund-able development loans that take into account all that Community Infrastructure Levy (oh yes, would these schemes have regard to that?) and you wouldn't have to fuss around thinking up new ways to frighten the natives.

A faster and less prescriptive planning regime? Yeh, right.

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