Autumn
Statement
2013

DLP BRIEFING NOTE 142

Prepared by **DLP Planning Consultants**

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Introduction

On 05th December 2013 the Chancellor delivered the Autumn Statement, providing an update on the Government's plans for the economy. The statement highlighted several important changes to the Planning System in the UK, aimed at supporting the need for new homes and encouraging economic growth.

The raft of changes proposed in the statement include:-

- Changes to the 'New Homes Bonus'.
- Changes to the threshold for Section 106 agreements.
- Development benefits.
- · Social housing regeneration.
- · Planning Authority performance.
- Changes to retail and the High Street.
- Planning Conditions.
- Statutory requirement to put in place a Local Plan.

Changes to the New Homes Bonus

One of the items discussed in the Autumn Statement is the effectiveness of the New Homes Bonus. The New Homes Bonus was originally created to provide an incentive to Council's to build houses and encourage growth. The grant is paid by central government to local authorities for increasing the number of new homes created within their administrative boundary. This bonus is paid each year for 6 years and is based on the calculation of additional Council Tax Revenue generated for new-build homes, conversions and long term empty homes brought back into use, there is also an extra payment for affordable homes.

The Government has announced that the **New Homes Bonus could be withheld in instances** where councils have objected to a development and approval is granted on appeal. A review evaluating the effectiveness of the New Homes Bonus is currently underway and is likely to be completed by **Easter 2014.**

Threshold of Section 106 Agreements

Currently the threshold for contributions made for affordable housing under a Section 106 Agreement for residential development is 3 units. The Autumn Statement revealed that the government will be consulting on a **new 10 unit threshold for contributions to affordable housing. This is aimed at reducing costs for small builders and encourage further house building.** There may be objections from some of the more rural Local Planning Authorities to this amendment, as a large proportion often deal with development proposals below 10 units.

Development Benefits

Currently there are several schemes in place to ensure the community and the local area benefit from development. Developers already contribute to the community infrastructure level (CIL) depending on the size of the development.

However the government want to take this a step further to ensure that households are directly benefiting from development in their area. To do this they are proposing a pilot scheme where a share of the benefits from the development is passed to individuals. It is not clear yet from the report if the funds will be taken from contributions made through the CIL or will be in addition to the CIL. No details of the pilot have been released by the Department for Communities and Local Government.

Regeneration of Social Housing Estates

The Chancellor indicated the Government's intention to encourage Council's to dispose of their 'worst' social housing estates, although no further details have come forward about how they will identify these estates. However the aim is to regenerate run down council estates and to house more families for the same cost.

The government will create £1 billion, over a six year programme to fund infrastructure, which is aimed at *unlocking large housing sites in cities*. This will support the delivery of around 250,000 homes and will be introduced in 2014-15.

Planning Authority Performance

Currently, a Local Planning Authority can be placed under special measures if they fail to determine at least 30% of major applications within 13 weeks, over a two year period. The autumn statement reveals *the Government's intention to consult on increasing this performance threshold to 40%.* This could mean an increase in the number of Planning Performance Agreements between Local Planning Authorities and developers to agree an alternative timeframe for determination of major applications.

Under the proposed amendments, should a Council be placed on special measures, then applicants can choose to submit major applications directly to the Planning Inspectorate for determination.

Relaxing Changes of Use

The Chancellor revealed the Government's intention to consult on further relaxation of the Use Classes Order to allow the change of use of buildings. These changes would include, **change of use** from retail use (A1) to restaurant use (A3) and from retail use (A1) to assembly and leisure use (D2). The consultation is likely to include details for relaxing restrictions on mezzanine floors in retail premises, especially where this will support vibrancy and vitality of town centres as well as speeding up the current planning system.

Planning Conditions

The Government has stated that where *planning conditions have not been discharged by the Local Planning Authority, they should be treated as approved;* confirmation of that conditions have been discharged should be received within the 8 week determination period for the application from date of receipt. By introducing this presumption to approve, the Government aims to strengthen the requirement for planning authorities to deal with the applications in a prompt manner, which in turn will improve the planning authority's performance.

Local Plan

Currently almost three quarters of councils have Local Plans, and almost half of these are adopted (CPRE March '13). However this process is still very slow and makes decision making more difficult. The Autumn Statement advises that the government will be consulting on measures to make Local Plans a statutory requirement.

Conclusion

The Autumn Statement 2013 announces the Government's intention to introduce further changes to the planning system. These changes are aimed at boosting the economy and encourage house building. The Chancellor's statement highlights eight key changes to help improve the planning system and speed of decision making.

DLP Planning Consultants have considerable knowledge of planning matters. Senior staff are well versed with the planning process and policy changes, this allows us to deliver the best result for our clients. We have excellent working relationships with Local Planning Authorities, making the process clearer and smoother for our clients. If you require any further advice regarding the above, please do not hesitate to contact one of the offices listed below. Senior staff within the practice would be very happy to assist you with regards to your enquiry.

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