

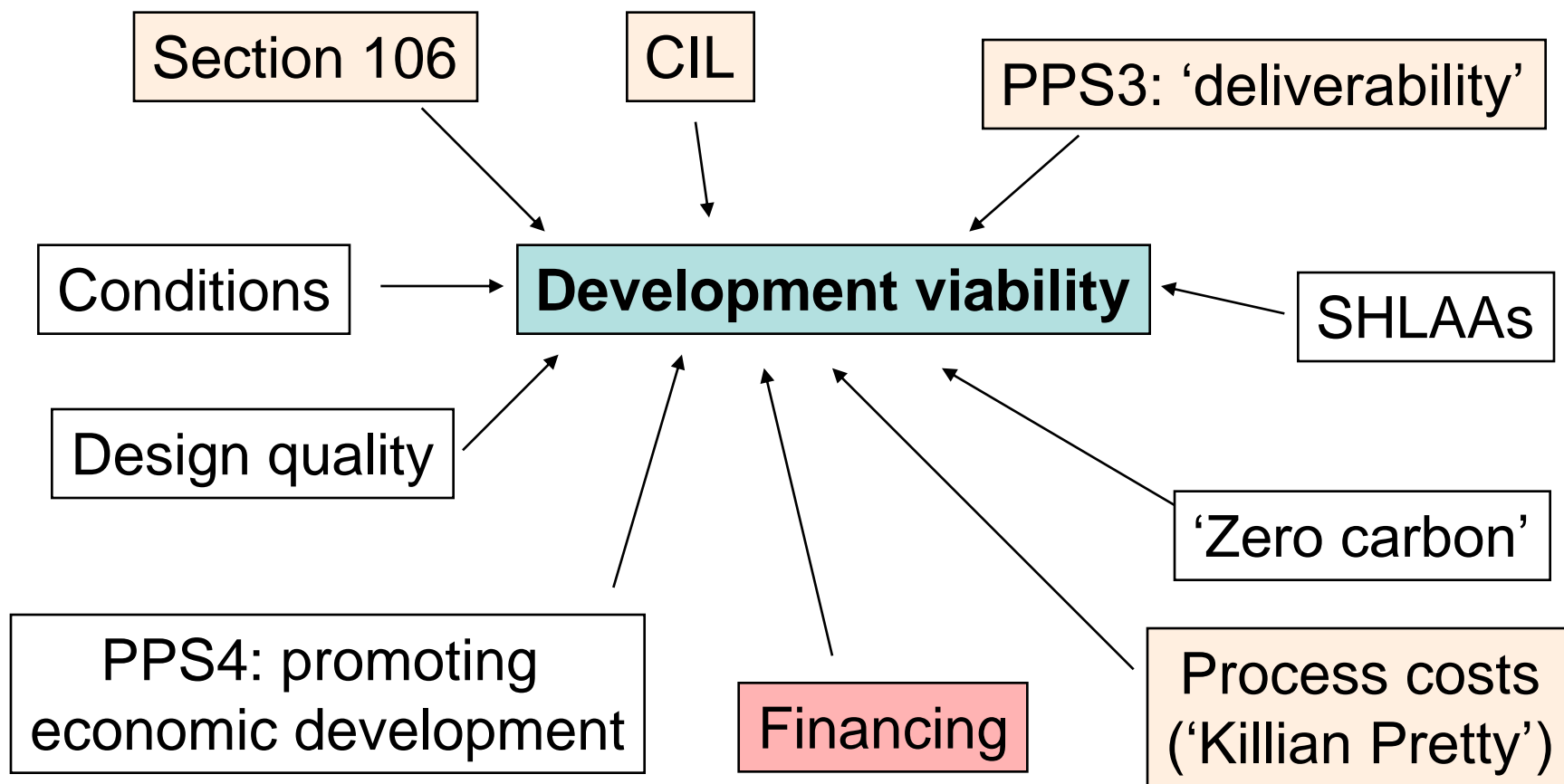
# Planning and viability

*A CLG overview*

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**This presentation has X slides**

## An increasing focus on viability...?



- PPS3 says that local authorities should ensure that they have a 5 year supply of deliverable land for housing which delivers their RSS targets.
- If such supply does not exist or cannot be demonstrated, planning authorities should look favourably upon housing applications.
- CLG have worked with HBF to establish what a good land supply assessment looks like; HPDG and guidance to help.
- But what does “deliverable” mean in the current economic environment?
- Local authorities do have some control over deliverability!

## Killian Pretty review – process costs

- **Improving permitted development** – freeing up authorities to focus on larger applications – proposals published 30 July
- **Streamlining information requirements** – making it quicker and simpler to apply for permission – proposals published 30 July
- New arrangements to allow **existing planning permissions to be extended** – live from 1 October 2009
- Cutting back on **volume of PPSs** – 13 PPSs under review now
- Proposals to come this autumn on
  - improving engagement from **statutory consultees**
  - improving use and discharge of **conditions**
  - encouraging **pre-application discussions**

- Planning obligations will remain when CIL is introduced.
- But we propose to use Planning Act powers to:
  - **make statutory the Circular 5/05 policy tests** governing the use of planning obligations. This solves the “Tesco” problem.
  - **discourage new tariff schemes** based on s106 (but existing schemes can continue for a transitional period of at least 2 years). CIL is the preferred instrument.
  - **clarify the position on affordable housing** – that is, it is a legitimate use of planning obligations to deliver mixed communities.

- “The Secretary of State may ... make regulations providing for the **imposition of a charge** to be known as Community Infrastructure Levy ... ” – *Planning Act 2008 s205(1)*
- “...the overall purpose of CIL is to ensure that **costs incurred in providing infrastructure to support the development of an area can be funded ... by owners or developers of land.**” – *Planning Act 2008 s205(2)*
- CIL is a charge levied per square metre of development which local authorities can choose to apply to all buildings in their area. The rate is subject to independent examination and the proceeds must be spent on infrastructure.

- **CIL is not a planning obligation.** This means:
  - It is not a contract
  - It is not voluntary (but exceptions might be made)
- **CIL is not something local authorities must do.** This means:
  - They can choose whether or not to introduce it (and the rate at which to do so)
  - But Government thinks that s106-based tariffs are not a suitable long term alternative to CIL for raising general infrastructure funds and proposes to scale back s106. That means CIL becomes the only option for raising such funds.

- Should we provide for **exceptional circumstances** in which a development cannot afford to pay the usual rate of CIL – or is this just ‘section 106 by the back door’?
- Should we provide for **CIL to be paid in kind** – or is that making it too complicated?
- What can we do to improve timely **infrastructure delivery**?
- How and when should we **scale back planning obligations** and draw a clear line between CIL and s106?

*But most issues eventually come down to...*

- What is the right balance between fairness, simplicity and certainty within CIL?



## CIL: timing, implementation and transition

- Draft regulations published in **30 July 2009**.
- Consultation runs until **23 October 2009** (online questionnaire available)
- Regulations will commence on **6 April 2010** (Circular 5/05 tests made statutory on that date?)
- Tariffs legal until **at least 6 April 2012** (2 years from commencement – if we decide to proceed with this option)
- Applications in the system now, and existing permissions, will never be caught. Nor will any permission granted before a charging schedule is adopted locally.

## Planning and viability: closing thoughts

- When is it sensible to make a change to the planning system, and when is it sensible to leave things alone?
- Which economic cycle are we aiming at in making planning reforms: this one, or the next?
- What is the right balance between central government policy and local government devolution – or between certainty and flexibility?
- How much guidance should we give on viability? And how can we promote better understanding of it among planners?

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