

# Eric Pickles: Radical changes in housing and planning will drive local growth

**Published** 23 March 2011

Communities Secretary Eric Pickles has welcomed measures to improve the planning system, action to get the house building industry building again and steps to cut the amount of red tape for councils and business set out in today's Budget.

The Department for Communities and Local Government is at the centre of the Coalition's plans to revive and rebalance the economy. Over the coming months the Communities Secretary will oversee a programme of work to unblock the planning system, boost house building and attract new investment into the market, maintain environmental and countryside protections. The reforms will put local councils, communities and local firms in the lead when it comes to delivering growth.

Secretary of State for Communities and Local Government Eric Pickles said:

"The actions set out in today's Budget will create the conditions for growth and put this country back on a strong and stable economic footing. We are unblocking the complex, costly planning system, regenerating redundant sites and putting the brakes on the years of Whitehall micro-management that has tied business up in red tape, slowing and stifling growth.

"The current planning system is bureaucratic, we will make it easier to navigate. We have a system plagued by conflict and appeals. We will establish a system where councils, communities and business work together. Instead of fighting against development imposed from Whitehall, local people will have a far greater influence over what is built in their area. We will maintain protection for the Green Belt and the environment - as we are committed to sustainable growth.

"Every new home built will create jobs in the UK building industry. Before we took office house building had slumped to its lowest peacetime level since 1924. We are turning this around, providing support for first time buyers, encouraging private investment in housing, accelerating the release of public sector land and putting in place powerful new incentives that will give communities a share in the rewards of growth. Together, these measures to support local jobs and local firms will play a crucial part in the Government's wider work to get the economy back on its feet."

To get Britain building again the Department for Communities and Local Government will:

- Make up to £210 million available over the next two years to introduce a new FirstBuy scheme that will help over 10,000 first time buyers in England who are struggling to purchase a home in the market due to large deposit requirements. The FirstBuy scheme, jointly funded with

house builders, will provide 20 per cent equity to top up first time buyers own deposit of 5 per cent, enabling buyers to access 75 per cent conventional mortgage.

- Boost investment in house building, helping to reduce the sectors reliance on mortgage funding. The unfavourable Stamp Duty arrangements for bulk purchases of new build homes will end, making investment in house building more attractive, and tackling a tax distortion which currently favours individual purchases ahead of large scale investment.
- Consult on proposals to increase housing supply by deregulating the planning system so it is easier for developers to change vacant offices into new homes.

To make sure the right land is available in the right place for development the Department will:

- Accelerate the release of surplus public sector land supporting the creation of new homes and jobs. The Homes and Communities Agency will lead the way including making use of 'build now, pay later' schemes whereby house builders will be given surplus government land which they will only pay for once properties built on it are sold. The scheme will offer a lifeline to house builders struggling with cash flow problems. Other Government Departments and agencies will follow suit publishing land release programmes shortly and be held to account for the homes and jobs unlocked.
- Reform the planning system through a range of measures, including the introduction of a powerful new presumption in favour of sustainable development. The answer to development and growth should wherever possible be 'yes', except where this would compromise the key sustainable development principles set out in national planning policy.
- Remove centrally imposed, top down targets that have dictated levels of development on previously developed land. Present rules are overly prescriptive and have in some cases led to perverse outcomes - e.g. imbalances in provision between blocks of flats and family homes. Councils will be able to identify the most sustainable locations for growth in their areas, having regard to the coalition commitment to protect the environment, including maintaining the Green Belt and other environmental designations.

- Pilot elements of the land auctions models, starting with public sector land. One of the biggest barriers to development is the shortage of land with planning permission. Auctioning parcels of land with planning permission has the potential to bring forward more land for development, increase competition in development and provide greater certainty for developers. The outcome of the pilot will inform further consideration of the wider land auctions model.
- Place a new Duty to Cooperate on councils to work together to address planning issues that impact beyond local boundaries such as transport, housing or infrastructure.

To simplify and speed up the planning system and reduce regulatory and other burdens on the house building industry Government will:

- Condense the near 900,000 words of unwieldy national planning policies into one concise, easy to use document. By the end of this year a new National Planning Policy Framework will set out the Governments key economic, social and environmental objectives and the planning policies to deliver them.
- Consult on plans to simplify the planning process and streamline the information required to support planning applications. Reduce the complexity of the consents developers need. Introduce a planning guarantee that means that planning applications will not have to spend more than twelve months in total with decision makers, where a timely appeal is made.
- Adopt a new, less costly zero carbon standard for all homes built after 2016. Central to the nation's commitment to slash carbon emissions, the new standards pave the way for the green transformation of Britain's homes, making them more efficient, warmer and cheaper to run.
- Work with councils and developers to ensure that the cumulative impact of their local plans and other requirements do not unduly constrain the creation of much needed jobs and homes.

To rebalance the economy, reduce regulation and promote enterprise the Department for Communities and Local Government will:

- Support the creation of the eleven new local Enterprise Zones announced by the Chancellor. These Zones will benefit from business

rate incentives and planning freedoms as well as other deregulation. The Zones are intended to help kick start new investment and drive the creation of new private sector jobs in the local areas. The Department will also oversee a competition to identify the next ten zones that will be announced in the autumn.

- Extend Small Business Rate Relief - the temporary one-year increase in Small Business Rate Relief which started last October will be extended for a further year (1 October 2011 - 30 September 2012). Helping small shops and businesses grow is a crucial part of rebalancing and rebuilding the economy. This tax break comes at the right time and offers a massive helping hand to small business.
- Approve two redesigned regeneration projects which had become stalled due to the market downturn that will boost economic growth, and bring much needed new jobs. Originally suspended as part of the review of all spending decisions made since January 2010, the revised Sheffield retail quarter regeneration scheme now offers better value for money for the taxpayer (having secured greater support from the private sector) and is expected to deliver around 4000 net additional constructions jobs and around 1,600 permanent jobs. The wider central Milton Keynes sustainable residential quarter has been redesigned to make it more commercially viable and will deliver 400 homes without increased taxpayer expenditure.
- Revoke the Two Tier Code in local government which formed part of the Best Value regime. Removing this guidance will make it easier small businesses and voluntary sector groups to succeed in the public service market by levelling the playing field and create more opportunities for innovation and greater economic and employment growth.

Taken together this is a comprehensive package for growth - continuing to deliver on the Government's commitment to get the housing market moving again and to putting councils, local businesses and communities back in the driving seat.

Housing Minister Grant Shapps said:

"Demand for new homes is still growing, but last year house building slumped to its lowest peacetime level since 1924. This Budget shows we are serious about sorting this out - building more homes and increasing the pace of economic growth, and setting new standards for greener homes.

"We've already given communities a reason to say yes to development through the New Homes Bonus, now we're helping house builders deliver the homes this country needs by taking away the upfront costs of buying land. We're also extending a helping hand to first time buyers, and 10,000 people will benefit will from help with their deposits so they can get a foot on the housing ladder."

Decentralisation and Planning Minister Greg Clark said:

"The current over-centralised planning system has become one of the greatest obstacles to growth in Britain, shutting out opportunities for development and burdening business with bureaucracy and red tape. Every reform to planning in today's Budget is designed to reverse that position and recalibrate the system to support, rather than hinder economic growth and sustainable development. These measures will help create a planning system fit for the challenge of recovery and rebuilding Britain's economy, while at the same time maintaining our commitment to protect the Green Belt and environment."

## Notes to editors

1. A 'Planning and the Budget' guide on how today's budget ensure the planning system does everything possible to support economic growth and sustainable development is available here: <http://www.communities.gov.uk/documents/newsroom/word/1871051.doc> (Word 34KB).
2. More than 3,000 responses have been received from a call for comments on consolidating dozens of planning documents into a single National Planning Policy Framework. Greg Clark, advised by a group of experts, will consider these responses and a draft Framework document will be put out to public consultation later this year.
3. A ministerial statement on open public services and the withdrawal of the two-tier code is available here: <http://www.communities.gov.uk/statements/corporate/openpublicservices>.
4. A ministerial statement on planning for growth is available here: <http://www.communities.gov.uk/statements/corporate/planningforgrowth>.

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