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Councillor Seán D T Woodward

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Paul Martin
Planning, Economic and Social Policies Division
Communities and Local Government
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Eland House
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27 February 2007

Dear Mr Martin

Planning Gain Supplement Consultation

I am writing in response to the consultation on proposals for a Planning Gain Supplement (PGS) and scaling back planning obligations. I am Chairman of the Partnership for Urban South Hampshire (PUSH) which comprises all eleven councils that are partly or wholly within South Hampshire: East Hampshire District Council, Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Hampshire County Council, Havant Borough Council, New Forest District Council, Portsmouth City Council, Southampton City Council, Test Valley Borough Council and Winchester City Council.

PUSH wishes to make the following key points in response to the current consultations:-

- Clarity on the system for capturing the increase in land value resulting from the granting of planning permission needs to be provided now. The delay in the government bringing forward proposals and the indication that they would not be brought in to operation until at least 2009 implies that there is significant doubt within government that the suggested system will work. This hinders work at the local level to try to deliver growth and ensure the timely and appropriate provision of infrastructure alongside new development.
- PUSH would prefer a tariff approach. Although this might take some time to set up and require detailed evidence and research to ensure that it meets needs and provides sufficient funding for infrastructure, once set up it is likely to provide simplicity and certainty for developers, landowners and service providers. It is considered that government could do more to facilitate the development of a tariff approach, without prejudice to PGS in the longer term. We think that it would be possible, given favourable indications from the government, to develop a tariff approach in South Hampshire by mid-2008.

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- The government needs to find ways to fund strategic infrastructure and increase current levels of expenditure. This is essential if the growth is to be delivered and is unlikely to be provided solely through a planning gain supplement or tariff approach. The prospect of scaling back planning obligations if the proposed PGS is introduced will probably mean that the overall amount of money available for infrastructure captured from the increase in land value will not be increased radically, but will come from a different source. If the government wishes to increase the amount of money available for infrastructure and clarify the scope of planning obligations, it needs to be clear that landowners and developers will be contributing more – in other words a bigger slice is coming from the overall pie, rather than the same sized slice simply being shared differently. Substantially reducing the scope of planning obligations, coupled with the uncertainty over the rate at which PGS would be set, does not give us confidence that resources available for infrastructure would be substantially increased.
- If the government is adamant that the scope of planning obligations should be scaled back then PUSH would strongly recommend that this is done through guidance rather than legislation. This would have the advantage of being speedier and more flexible to allow for any changes necessary once the new system has been implemented and reviewed.
- It is understood that 70% of the proceeds from PGS would be hypothecated to the local planning authority and that the remaining 30% would be redistributed to the regions for other strategic infrastructure projects. It is strongly recommended that the proceeds should be retained in full within the sub-region (or at the very least the region) that contributes it, rather than being lost to regions in other parts of the country.
- The present system of planning obligations generates contributions towards locally important cultural and community facilities. Whilst the priority for any new system is to increase resources for strategic infrastructure, the PUSH authorities are concerned that the consultation paper gives insufficient attention to how the provision of cultural and community facilities (as distinct from solely land for these facilities) might be addressed under the new arrangements. It may be difficult to rely on the elements of redistributed PGS for these facilities given requirements for transport or other infrastructure that may have a higher priority.

I trust you will take these comments in to account in determining final arrangements for capturing increase in land value and funding infrastructure needed to make new development sustainable.

Yours sincerely

A handwritten signature in black ink that reads "Seán Woodward". The signature is written in a cursive, flowing style.

Councillor Seán Woodward
Chairman of the Partnership for Urban South Hampshire