

# PLANNING BULLETIN

## **BUDGET 2007:**

### **PLANNING GAIN SUPPLEMENT AND THE PLANNING WHITE PAPER.**

The Chancellor's 2007 budget announced the following proposed measures which, if or when implemented, will affect all landowners, developers, investors in England.

#### **Planning Gain Supplement (PGS)**

The levy – or tax – on the value uplift accruing to land granted planning permission is still very much on the Chancellor's agenda.

In the Chancellor's budget report the following was announced:

- The government is still considering whether PGS is workable and effective.
- If it is considered to be so, PGS will be introduced no earlier than 2009.
- PGS will be levied at a “modest rate.”
- At least 70% of PGS revenues will be paid directly to the local authority area which granted the planning permission; the other 30% to be returned to the region.
- PGS revenues to help secure delivery of local infrastructure pursuant to the objectives identified in the Local Development Framework (LDF) and regional transport infrastructure priorities as identified in Regional Spatial Strategies (RSSs).
- The Mayor of London would receive the regional share of PGS in London for infrastructure improvements identified in the London Plan.
- Planning obligations – via section 106 agreements to be scaled back and to focus on environmental impacts and affordable housing requirements and be criteria based.

#### **Reform of the Planning System**

The Government, in response to Kate Barker's recommendations of December 2006 to changes to the planning system in England and Sir Rod Eddington's recommendations on transportation, proposes a “Planning White Paper” in the Spring of 2007.

The White Paper will:

- Place greater weight on the economic benefits (in terms of employment and wealth generation) in the determination of planning applications than hitherto given.
- Introduce “National Planning Policy Statements” relating to major infrastructure projects - with decisions being made by an Independent Planning Commission and not the Local Planning Authority.
- Propose measures to improve the speed, responsiveness and efficiency in land use planning, including planning appeals.

### What Should I do?

CgMs Consulting provide practical and commercially sound advice as to how to maximise your prospects of obtaining planning permission for your proposed development, taking into account these proposed changes and existing planning procedures and policies.

We have extensive track record in successfully negotiating planning permissions throughout the UK. We have specialist teams in all property sectors – including residential, retail, commercial and the public sector, as well as other dedicated teams advising on the historic environment and archaeology.

For further information please see our web site at [www.cgms.co.uk](http://www.cgms.co.uk) or contact:

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**CgMs** - 27 March 2007

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