

**HERTFORDSHIRE COUNTY COUNCIL**

**CABINET**

**MONDAY 26 January 2004 AT 2.00 P.M.**

Agenda Item No.

**8**

**CONTRIBUTING TO SUSTAINABLE COMMUNITIES – A NEW APPROACH  
TO PLANNING OBLIGATIONS**

Report of the Corporate Director (People and Property)

Author: Jan Kinsman  
Tel: 01992 588123

Executive Members: David Beatty, Derrick Ashley

**1. Purpose of report**

To respond to Government consultation on reform of the system for planning obligations.

**2. Summary**

The consultation proposes reform of policy and introduction of an optional planning charge, as an alternative to negotiated planning obligations.

There was a short timescale for the consultation, to enable parliamentary timetables to be met. In order to meet the consultation response deadline set, the attached response has already been submitted by officers following consultation with the appropriate Executive Members.

**3. Conclusion**

Cabinet is asked to consider endorsing the response made and whether any additional points should be raised.

## **4. Background**

- 4.1 On 6 November 2003 the Government published a consultation document entitled "Building Sustainable Communities – A New Approach to Planning Obligations". The consultation period closed on 8 January 2004.
- 4.2 The Government believes change is needed because there are problems with the current system, including delays and high legal costs.
- 4.3 There are two main themes in the consultation:
- revised policy on the use of planning obligations;
  - the introduction of an optional planning charge, as an alternative to negotiated obligations

In addition, changes to improve speed, efficiency and transparency are proposed.

- 4.3 The Government consultation recognises that there is a disparity between accepted practice and current Government policy. Current policy in DoE Circular 1/97 imposes strict tests on the use of planning obligations. However, the legal framework allows a much wider use of obligations, and in practice planning obligations have been entered into that go beyond the circular. The Government proposes to bring policy into line with established practice, and seeks examples of innovation and good practice.
- 4.4 The consultation also suggests the introduction of a charge, as an alternative to a negotiated planning obligation. This is proposed in response to criticisms about delay and lack of transparency in the current system. It would be for developer to decide whether to opt for the greater speed and certainty of paying a pre-determined charge, or to negotiate in the conventional way. The charge would be set through an open process and could vary according to various factors.
- 4.5 A consultation draft containing revised policy is planned for early 2004.
- 4.6 There is no suggestion in the consultation that Government intends to restrict the range of provisions that are currently included in planning obligations.

4.7 The response was prepared following consideration by Transport Panel and consultation with Executive Members. The response highlights a number of issues. Revised policy and a focus on encouraging best practice is welcomed, and concerns are expressed a number of aspects of the proposals. It is also suggested that:

- Consideration should be given to improving the current system without introducing the optional charge.
- Additional resources should be made available for improving the system.
- It is essential that county councils have a statutory role in the preparation of Local Development Documents.

## **5. Financial Implications**

5.1 It is considered that revised arrangements would require additional resources to be made available. This will need to be quantified when proposals are finalised.