



The Communities and Local Government's website has this piece of news on changes to the planning system.

*"Developers will be given more time to start building and further flexibility to adapt plans, under a package of new measures announced by Housing Minister John Healey yesterday to support the industry during these tough economic times. Mr Healey also announced changes for developers to build to greener standards, making homes cheaper to heat and run.*

*"There has been a sharp drop-off in the number of permissions which are being taken up, so for a temporary period, a simpler and cheaper way of extending the life of planning consent is being introduced. Currently, permissions that are not used expire automatically - usually after three years. If developments can't be built because of economic conditions it could delay economic recovery, as those schemes would have to be reapplied for when conditions pick up."*

Read the official announcement on the government's website [here](#)

This gives the lie to the old argument that development is constrained by planning restrictions. The site above, for instance, in the centre of Brighton, has been vacant, with planning consent, for nearly 25 years. What is really going on? Developers are not building because they want to realise the land value they had hoped for when they purchased for development in the first place. The truth is that these developers were speculating and their speculation has gone bad due to misjudgement. It is not the task of governments to protect businesses against mistakes made by business speculators. If the land is re-priced to current values, then most of these stalled developments should be viable.

Far from promoting economic recovery, this measure will encourage owners to keep their land off the market, leaving it derelict for a few more years and preventing other people from making use of it. A switch to land value taxation is really what is needed to promote economic recovery by making landowners get their land into use by dropping its price to market-clearing levels. The government's concession will simply encourage landowners to hang on and wait for the upturn, thereby prolonging recession.

Worryingly, the planning professionals are in favour of the measure. Rynd Smith, Head of Policy and Practice at the RTPPI said:

"We welcome the principle of extending the life of planning permissions, recognising that there are a large number of currently approved schemes that will not be developed within the three year lifetime of their existing permission."

What kind of planning policy is it that promotes dereliction?