

Insights

THE SUMMER BUDGET 2015 FOR PLANNING LAWYERS

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WHAT ARE THE HEADLINES FOR THE SUMMER BUDGET FOR PLANNING LAWYERS AND WHY?

The Government's July 2015 Budget was, on face value from the Chancellor's speech, relatively light touch in terms of planning and infrastructure, which seemed to reinforce the message that the Government is going to let the industry crack on with delivering. That said of course there remain the existing political and electoral hurdles to delivery of housing, fracking (two Cuadrilla fracking applications recently refused in Lancashire), airport capacity (Airport Commission's recommendation for Heathrow third runway last week) and windfarms – but clearly resolving these issues was not on the radar today.

In overview, 'productivity' is the new buzzword – rather than growth.

INFRASTRUCTURE

This got an early mention but little more was said in the actual speech, save for a couple of points below. The detailed budget document however told a slightly different story and set out a number of commitments across the whole of the UK. The Chancellor was keen to impress this was a 'One nation' Government.

INVESTMENT AND SPENDING

The Chancellor reminded the Commons that the UK was a founder member of the new Asian Infrastructure Investment Bank, which he said was "driven by our determination to connect Britain to the fastest growing parts of the world", and into which the Government is to make a capital contribution to the fund of £2bn.

On the balance of where to spend, Mr Osborne said "Welfare spending is not sustainable and it crowds out spending on things like education and infrastructure that are vital to securing the real welfare of the people."

TRANSPORT

The Chancellor reminded us that 4/5ths of journeys are by road, but as a country we don't invest nearly enough, when compared to others such as France (the Chancellor noted the quality of our road network ranks behind Puerto Rico and Namibia – although query what data source this is based upon?). Hence the Government proposes to create a new roads fund, into which revenue from Vehicle Excise Duty including the newly announced Bands for new cars (no more zero VED for new cars!) will be put for direct investment into road improvements. The Government will engage with devolved administrations as to how that investment will be applied. The Chancellor also noted the improvement works on the M4 and Greater Western line, as well as the £7.2bn investment in transport in the south west. In the accompanying fuller budget paper, there is a commitment to a second Road Investment Strategy before 2020.

LONDON

Crossrail 2 and the Olympic park regeneration were mentioned. This included a reaffirmed commitment to supporting £10bn of transport investment in London by 2020.

DEVOLUTION AND THE NORTHERN POWERHOUSE

Balance with the rest of the country was recognised – hence a favourite of the Chancellor, the Northern Powerhouse and devolution, featured strongly in the speech. He announced he had reached agreement with 10 Greater Manchester Council authorities, to give further powers including in respect of a new land commission. On inspection of the detail behind that there is also mention of granting more planning powers, subject to the agreement of the Cabinet member for the district in question. There were also ongoing discussions with certain cities (Sheffield, Liverpool, Leeds) and county regions (West Yorkshire) about devolution and directly elected mayors. Transport for the North (TfN) is to be put on a statutory footing to set out its policies and investment priorities in a long term strategy for the north and will receive £30m of extra funding over the next 3 years.

ENTERPRISE ZONES

Further Zones are being consulted on, and local administrations will be able to decide on Sunday trading hour changes.

HOUSING

On housing delivery, further planning reforms are due to be announced on Friday 10th July.

ARE THERE ANY SURPRISES?

From a planning perspective not much to write home about in terms of the speech, albeit a mention for Crossrail 2 is good news for London and the country as a whole. The National Infrastructure Plan will be due for its annual overhaul in the Autumn and hence that seems to be the more likely home for detailed announcements.

The brief mention of the political hot potato of housing delivery isn't a surprise, but its brevity was perhaps a precursor to something more meaty in the planning reforms due to be announced for on Friday 10th July – watch this space.

In terms of political focus and perception, whilst the budget speech had other things to focus on, infrastructure and planning didn't do too badly in the actual budget document, which lists at a regional level the projects where the Government is moving forward, including issues such as extending HS1, making East Anglia more accessible from London, and considering the reclassification of northern parts of the A1(M) as full motorway, amongst many others.

WHAT ACTIONS SHOULD LAWYERS BE TAKING AS THE DUST SETTLES?

The lack of specific focus on infrastructure, but the keenness on productivity, seems to indicate that we are where we thought we were – albeit the announcement on Friday in terms of planning reform will need to be awaited before we can fully assess matters. So the legal profession will need to see what opportunities as well as challenges these reforms bring for clients.

So we await the planning reforms due out today – but right now we still have the same issues we had yesterday.

The full article [The Summer Budget 2015 for planning lawyers](#) was first published on Lexis@PSL Environment on 8 July 2015.

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