

## Towards a Two Tier Planning System (Part 3) - 'Give us the Facts'

Written by W R Tomlinson

Wednesday, 23 March 2011 12:41 - Last Updated Wednesday, 23 March 2011 13:43

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Allan Bell, as Minister for Economic Development, made a short statement to this month's Tynwald (March 2011) entitled "*Progress on High Value Individuals and the Review of the Planning System*".

'*High Value Individuals*' is Mr Bell's re-branded name for '*High Net Worth Individuals*' for whom he claims there is a need for larger houses in the countryside, if they are not to be deterred from moving to the Island. Presumably Mr Bell thinks that '*High Value Individuals*' is a more persuasive description than '*High Net Worth Individuals*', if the rest of CoMin is to be influenced to re-write planning policy to suit his cause.

So what has large houses in the countryside got to do with the review of the planning system? And what has the Department of Economic Development got to do with planning? The answer to both questions is nothing! Clearly, Mr Bell is trying to confuse the issues.

The review of the planning system stems from a Motion in Tynwald, as a result of the poor handling of planning applications, relating to the Poachers Pocket development in Ballasalla. The review, which is still ongoing, is concerned with procedures and not the overall planning policy framework. Therefore, Mr Bell's proposals have no connection with it.

The overall planning policy framework for the Island is set out in the Isle of Man Strategic Plan, which was adopted in 2007. Mr Bell's proposals are in direct conflict with Spatial Policy 5, Strategic Policy 2 and General Policy 3 of the Strategic Plan; so it is hardly surprising that the Planning Department and Minister for Infrastructure Phil Gawne, who has responsibility for planning, seem currently opposed to Mr Bell's ideas.

The next phase of the development of a robust planning policy framework for the Island is the production of Area Plans, the first one being for the South of the Island. This will take planning policy down to the local level; and the Southern Plan is likely to form the template for the other

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area plans that will follow. The Southern Plan process, which has been ongoing for the last three years, has been subject to continual delays. Why should that be?

So how is Mr Bell able to claim any degree of legitimacy for his proposals?

It started off with a Motion in Tynwald in June 2010, moved by Peter Karran, the Member for Onchan, to gain financial benefits for the Government by way of a “*planning gain tax*” if special planning permissions for high net worth individuals were granted. It read; -

□ *“That Tynwald -*

*(1) accepts that there is some merit in a policy objective of attracting “high net worth” individuals to make their homes in the Isle of Man;*

*(2) recognises a tension between taxation levels designed to attract such individuals and a planning regime which constrains the development of suitable homes for such individuals;*

*(3) desires that, if such homes are to be built, the profits of such development should be shared equitably between the Government and landowners (particularly smaller landowners), and that large-scale property development companies should not be left to dominate the market and reap all the benefits;*

*(4) envisages a new Scheme under which special planning permission would be given for large homes in a limited number of two- to three-acre plots, on application by the landowner, and under which the proceeds of the resultant increase in value of the land would be shared with the Government by means of a special “planning gain tax”; and*

*(5) calls upon the Treasury and the Department of Infrastructure together to develop detailed proposals for such a Scheme through appropriate primary and secondary legislation, and to report to the sitting of the Court in October 2010.”*

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However, the Motion was hijacked by Mr Bell who moved an amendment to remove the benefit to the Government by way of the proposed “planning gain tax”, so that the motion would read: -

*“That Tynwald accepts the merit of, and supports, the Government’s policy objective of attracting ‘high value’ individuals to reside in the Isle of Man, due to the benefits to the economy, and recognises that the current planning system may limit the development of suitable homes for such individuals, and requests the Council of Ministers to consider developing planning proposals to enable a limited number of such homes to be constructed annually, and to report to Tynwald at the October 2010 sitting”.*

The amendment was carried with only Mr Karran voting against and the amended motion was similarly carried, again with only Mr Karran voting against.

In his statement to Tynwald earlier this month, Mr Bell said: -

*“Mr President, at the October Tynwald, I made a statement that I was very keen that the report to Tynwald should be a joint report involving both my Department and the Department of Infrastructure, and that more time would be required for the two Departments to agree the contents of the report. I appreciate that I have also made a statement to this Court on two further occasions since then to advise of the need for further time for the two Departments to work up and agree effective proposals.*

*“ Mr President, I have to advise that achieving a workable solution, which combines both tangible economic benefits whilst at the same time providing the necessary degree of protection of the environment, is more difficult than was originally envisaged. Whilst achieving such an outcome is still a desirable aim, I regret that it may be a little while longer before we are in a position to bring the report to Tynwald. However, I am sure Hon. Members will support the two Departments’ desire to carefully balance economic and environmental considerations and come up with a solution that I can commend to the support of all interested parties. I can assure Hon. Members, Mr President, that I will bring back our report to Tynwald at the earliest possible opportunity.”*

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When pressed about the time scale by Members he stated: -

*"We are very close to completion of this report, Mr President. I would hope in the next couple of months."*

Well here's one interested party that would certainly support the proposal if only the Minister would come clean about the facts of the results of the tax cap policy. The key questions are: -

What have been the 'tangible economic benefits' for the economy since it was introduced in 2007?

How many 'high value' individuals have gone elsewhere because of a dearth of suitable homes and dissatisfaction with the planning system?

This is the sort of information any commercial organisation would require when assessing a business proposal. We challenged him to respond in a previous article, 'Towards a Two Tier Planning System (Part 2)', but he hasn't!

Meanwhile, no doubt encouraged by Bell's pronouncements, local landowners have been doing their bit in trying to influence planning policy by submitting plans to construct large houses in the countryside to satisfy this alleged but unproven need. If successful there would be huge planning gains for them, so it's not surprising that pencils have been sharpened to draw up plans.

In 2010, four planning applications on these lines, in the South of the Island, have been refused and three of these have failed at Appeal, with the fourth Appeal due shortly. In all these examples, the applicants made similar comments in support of their respective cases:-

*"The covering letter accompanying the application asserts that the size of the site suitable for a high net worth dwelling...."*

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*"The Isle of Man Government attaches importance to the attraction of high net worth individuals to the Island. If the policy is to succeed it is important that appropriate accommodation is made available."*

*"Proposals such as this should be viewed in the light of the Government policy to encourage high net worth individuals to settle in the Isle of Man. There is a severe shortage of such accommodation and potential residents who would fall into this category are being deterred from moving to the Island. If this important demand is to be satisfied it is essential that the planning system enables appropriate accommodation to be made available."*

Since June last year a myth has been created about rich people, who want to reside here, not being able to buy the type of property they would like.

All the writer is asking is - **show us the evidence!**