



# Analysis, recommendations and legislative proposals for a Building Act reform in the area of spatial planning

## **Communication principles**

deliverable 2.3

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## Communication principles

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### Management summary

This document defines distinct types of stakeholders in the spatial planning and development processes, summarizes their expected attitude towards the proposed reform and defines expected areas of disagreement and provides communication principles how to approach stakeholders' groups regarding these areas of disagreement. Final chapters propose further reform project management and phasing and further stakeholders' participation.

First group of stakeholders are those who are significantly involved in terms of their property rights and have incentives to protect or expand their properties' values through the system of spatial planning. These are Homeowners, Commercial property owners and Land owners. These stakeholders are likely to rather support the reform as it provides more security against actions decreasing property values. However, compensations for land appreciation and support for new development will be likely opposed by this group. On the boundary of the group with property rights involvement are Developers, who are likely to benefit from stability that does not endanger their projects, Speculative land owners who conversely make typically profit on speculation on possibility to change spatial planning documentation, and Households developing own single-family house that invest in land on which they build single-family housing unit. Speculative land owners will be strongly against the reform as the opportunity to speculate will be very limited. Households developing own

single-family house are also expected to be rather negative as promotion of the amenities' fees will impact this type of development stronger.

Second group are entities representing different levels of governments and protecting various collective interests. These are Large municipalities typically of a size of county capital or larger that have relatively more developed administration and larger institutional capacity. Then there are other municipalities that are smaller and they make predominant share of all municipalities. There are approximately 100 'large municipalities' and 6100 of 'small municipalities'. Municipalities are likely to welcome proposed reform as more competencies in local development should be transferred to them. However, small municipalities might see this as ambiguous as they will bear higher share of planning burden. State powers on national level and national agencies are ministries and bodies investing in and operating nation-wide infrastructure. State powers on regional and local level are authorities protecting public interests with transferred state powers. In general, it seems that state powers are more or less satisfied with the current state of spatial planning and might be resistant against proposed change.

Third group represents two groups of experts in the spatial planning: Planning reformists and Planning conservatives. The first call for significant reform of the current system, but are internally heterogeneous and do not share common view on the desirable reform. Planning conservatives are in general satisfied with current system of accept milder amendments. Based on these groups definition, planning reformists are more likely to support proposed reform, but their support might not be full in all areas of the reform. Conversely, planning conservatives are expected to consider the proposed reform as diverging too far from the current system and posing a threat to the stability of the spatial planning system.

Fourth group are special interests groups with relation to local area or local issues without possessing property rights. These are renters and non-governmental organizations. Renters could affect spatial planning through political process and both groups could lobby. While attitude of renters might seem ambiguous, the attitude of non-governmental organizations, especially environmental ones, is expected to be highly negative. First, the reform favours holistic approach to sustainable development and limits the environmental approach, and second, the process of review should be limited to specific review period and put emphasis on materiality of the dispute and not formal aspects.

The final stakeholders are the Administrative courts that judge disputes regarding spatial planning documentation and zoning permits and its case law is then reflected in the planning discipline. The Administrative courts are likely to be indifferent to many aspects of the reform, but is expected to oppose proposed changes of judicial review such as abolition of the zoning-permit induced spatial plan review or emphasizing materiality of the dispute.

The friction areas of disagreement between stakeholders could be grouped into several clusters. The first focuses on the character of spatial planning and its tools. The friction areas defined are The need for the spatial planning system reform, More integrated approach to spatial planning and Fiscal autonomy and inclusion of economic tools. In all of these the clash appears between Planning reformists and municipalities to some extent and Planning conservatives and state administration. The communication of this friction area should be primarily expert, using evidence-based arguments and foreign good practice of better performance of the more integrated planning system employing economic tools while taking into account the specifics of the Czech conditions.

The second cluster of friction areas deals with division of competencies in planning and vertical and horizontal cooperation and contain Transfer of competencies to self-governing units, Inter-municipal cooperation and Deviations from the upper planning documentation. In this cluster main struggle could be seen between state powers and large municipalities as state powers want to keep its current powers and large municipalities would like to transfer them within their competencies. It should be highlighted the aim of the reform is to move planning competencies to the appropriate level – while discretion over local issues should be largely transferred to municipalities, more competencies over



nation and regional-wide systems should be on higher respective levels. The ability to grant approvals for deviations from planning documents should also help to tackle local issues more efficiently.

The third cluster concentrates on municipal planning redefining some existing tools. It contains Spatial planning documentation standardization, Obligatory two-level municipal planning and Compensation mechanisms for land value changes. Here, the attitudes of stakeholders differ. Municipalities and Planning reformists want more relaxed standards of documentation while Planning conservatives and state administration prefer more detailed and binding standards. The obligatory two-level planning and compensations for land value changes might be opposed by municipalities as they might see it more complicating. It has to be emphasized these issues will be detailed with further regulation to make the system applicable in practice so it will not increase planning burden beyond acceptable threshold.

Last friction area is Time and content focused judicial review. This will have to be discussed with the Administrative courts representatives and it should be discussed that the current practice severely undermines spatial planning system as it is not sufficiently stable and decisions based on minor formal errors lead to large material losses that is both socially inefficient.

Project management assumes the reform will be led by Steering committee based at the Office of government represented by the Minister of regional development with representatives of other ministries and controlled by representative of opposition political parties. For the management of reform preparation will be responsible Project manager who will work closely with Expert leader who will be responsible for the reform proposal itself. Main other parties involved will be executive team based at the Ministry of Regional Development and Stakeholders' board that will regularly provide feedback to the work in progress.

The first three phases of the following reform completion should be definition of the reform's goals, elaboration of the detailed regulation including sectoral implementing decrees considering possible alternatives and final selection of the reform to implement. Then two following phases should take place, implementation of the reform and its evaluation. After finishing the reform evaluation the whole reform process could be formally ended.

The role of stakeholders' inclusion is emphasized. Following steps of reform preparation and implementation could build on stakeholders' network that was established during this project and that has yielded valuable insights into the spatial planning system and its desirable form. This stakeholder network could create a backbone of the proposed Stakeholders' board.

## Disclaimer

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## 1. Introduction

“The ability of zoning battles to turn ordinarily reasonable people into wide-eyed fanatics is a never-ending source of amazement.”  
(Crawford, 1969, in Cullingworth, 1993, p. 59)

Although the above citation is half a century old and comes from a different planning institutional context, it seems to hold similarly well nowadays in the Czech Republic. Spatial planning is highly localized policy affecting individual property rights to achieve common prosperity and protect public interests. It is then no surprise that this conflict of individual private interests and interests of communities of various scales from neighbourhood to the whole country leads to many severe disputes.

The aim of this document is to identify stakeholder groups active in or affected by the spatial planning process and its outcomes and describe their position in the current Czech spatial planning process, their involvement in terms of property rights and their assumed attitude on the proposed spatial planning reform. Based on this stakeholder classification key friction areas of the spatial planning reform proposal are defined and described together with recommendations how to approach involved stakeholders in each friction area with appropriate arguments supporting the reform.

It is assumed participation of involved stakeholders and communication of the goals of the reform and its proposal is essential for wider acceptance of the reform. Among these stakeholders should be representatives of relevant state authorities on the national level and bodies with transferred state powers protecting public interests, representatives of municipalities and regions, investors and developers – both public and private, professionals in the spatial planning, representatives from academia and non-governmental organizations. To reach wider acceptance of the reform it is crucial to explain the objectives and how they should be achieved by tools proposed in the reform.

Over the course of the elaboration of the project our team interviewed in the beginning 40 distinct stakeholders representing defined stakeholder groups, many of them represented by multiple individuals with experience in the field of spatial planning. These interviews provided us with valuable insight how these stakeholders perceive current state of spatial planning, where they see potential for improvement and what they consider as a problem or potential threat. The initial interviews were followed by two stakeholders' meetings, first focusing on the analytical outputs of the project and second on the reform proposal itself. Although attitudes of stakeholders differ, there was a relatively broad consensus on the need for change of the spatial planning system varying from amendments of the current legislation to deep reform. This communication strategy is built on the proposed reform described in the Reform proposal (deliverable 2.1) and its assumed implementation described in the Legislative proposal (deliverable 2.2) of this project.



## 2. Spatial planning reform summary

The aim of the proposed spatial planning system reform is to adjust the system of spatial planning in order to better meet the spatial planning objectives. Planning tools allowing individualization should address properly problems self-governing bodies are facing and promote sustainable development responding to local values and potential. While in many aspects proposed reform devolves competencies over planning to municipal level, it also emphasize new tools to manage efficient spatial development in whole supra-municipal agglomeration regions and concentrates planning competencies over systems of regional and national importance to respective governmental levels.

The planning framework should integrate currently separated strategic and spatial planning. The strategic plan should become a coordinating document which sets development goals, details local principles of sustainable development, and defines which next sectoral public policies and plans should be adopted to reach given target.

New set of tools that would help desirable spatial development outcomes are economic instruments that would incentivise development in desirable areas, such as brownfields, over development on agricultural land and natural areas. The spatial planning documents should be given more flexibility to set their level of detail and regulatory instruments according to the local needs. The upper level of municipal spatial planning documents should be much less detailed and specific areas requiring more detailed planning documentation should be planned individually with local development plans.

The planning should follow subsidiarity principle so it should be done on the lowest, but appropriate, level of government. Therefore, issues regarding the local development including local spatial planning should be within the competencies of municipalities. In some cases, the spatial development planning has to be coordinated from higher governmental level as individual decision-making on municipal level would not take into account spill-over effects to other municipalities or would not consider interests of larger region. The example of former is the need for agglomeration coordination and the example of later is planning of projects of national importance on the national level. Devolution of planning competencies to the appropriate governmental level should be accompanied by larger fiscal autonomy that will motivate for more interest in local economic development, investment planning, and efficient resource allocation.

Given existing municipal fragmentation, there is a need to provide institutional framework for inter-municipal cooperation. Municipalities too small to efficiently exert planning should be motivated to jointly procure strategic and spatial planning documentation and to share their institutional capacity. Inter-municipal cooperation is also essential for agglomeration planning that should be governed by agglomeration board consisting of municipal elected representatives. Agglomeration plans should be largely incentive-based to motivate individual municipalities to comply with agglomeration development plan. In case of strategic projects of regional or national importance, joint involvement of multiple governmental levels in projects should help to secure interests and expectations different levels of government have regarding such projects.

To ease preparation, coordination, dissemination, and assessment of spatial planning documentation, the underlying data used for documents drafting and documents itself should be accessible via national geoportal. The data covered by the geoportal should be wide ranging from data provided by national agencies, through data collected on regional and municipal level to publicly open geocyclopedia. The geoportal should also integrate projects' approval processes. As a result, the geoportal should be the environment that would allow to monitor information about area, existing planning documentation and regulation, current planning processes and plans being drafted, prepared projects and their status regarding permitting process.

The reform should also consider opportunities to review planning documents to secure no one's rights will be violated. Also, the review process should take into account wider implications of planning



documentation especially towards value of real estate property and potential compensations. For that reason, during the review process possible compensations should be considered and the plan's annulment should be perceived only as an ultimate solution. The option to review a plan should be also possible only in a given time period after the formal plan's approval and with no further review option after the end of such period.

The planning process should be highly inclusive and participative and participation processes should be less formalized to match with existing circumstances under which planning documentation is being prepared. Participative processes should primarily focus on appropriate stakeholders' groups given the character of plan and governmental level on which plan is being prepared. Participation should also take place earlier in the process of planning and when suitable focus separately on problem definition, analysis, draft proposal and final proposal. To increase awareness of strategic and spatial planning as a discipline of public policy-making, emphasis should be put on general public education, planning presentation and inclusion of planning in the general education.





## 3. Stakeholders' typology

Following stakeholders' typology was derived from conducted interviews, stakeholders' meetings and also previously elaborated analysis. The interviews and consequent stakeholders' meetings grouped individual stakeholders into categories of elected representatives on municipal and regional level, investors and developers, state authorities on regional level, state authorities on local level, construction companies, non-governmental organizations, academic sector, ministries and national agencies, companies elaborating spatial planning documentation and other specific stakeholders.

The stakeholders' groups in this chapter were re-organized to create more homogenous groups in terms of their position in the spatial planning system, property involvement and expected support of the proposed reform that we estimated based on conducted interviews and participation during the stakeholders' meetings.

### 3.1. Identified stakeholders

In the following table main groups of stakeholders are identified. The groups and their description is based on conducted interviews, participation in stakeholders' meetings and other available sources and literature. The classification is proposed solely by the authors and might not correspond to stakeholders' own convictions. The groups defined here slightly differ from groups defined for the stakeholders' meeting and previous interviews as it has turned out some groups are very similar and it is reasonable to merge them, while other previously though homogeneous groups were split due to their different attitudes. Some groups of stakeholders that were not directly involved in the project, either because they are not generally organized but their attitudes are expected to be similar to other stakeholders (land owners) or they are represented thru the political system (homeowners), are for clarity explicitly listed in the table below.

Stakeholder	Stakeholder's description and position within development and planning
Homeowners	Homeowners were not directly represented in interviews and stakeholders' meetings, but they are indirectly represented by elected representatives of municipalities and to some extent by non-governmental organizations. Homeowners are typically interested in preservation of neighbourhood characteristics and their opposition towards any development in their area is not uncommon. This behaviour is for instance conceptualized as a "homevoter hypothesis" according which homeowners are incentivized to select such a spatial planning policy through political process that minimizes risks of new development in their area as new development could potentially negatively affect value of their private property that is households' most valuable single economic asset (Fischel, 2001). Moreover if a neighbourhood has some specific demanded amenities, higher restrictiveness of local development increases local property values consequently increasing wealth of current homeowners.
Commercial property owners	Commercial property owners have in general similar interests as homeowners, but unlike them they are not represented in the political process.
Renters (residents)	Similarly as homeowners, renters were not directly involved in the project, but they are represented through their elected representatives. From the theoretical perspective, behaviour of renters might differ from behaviour of homeowners. While homeowners benefit from property values appreciation, renters are likely to perceive such an appreciation through increase of their rents. Therefore rational renters would welcome only such a policy to increase housing values that brings them higher utility when increase in rents is considered. It is for instance argued the increasing share of homeowners relative to renters could be one of the reasons of rising NIMBYsm (Glaeser, Gyourko, & Saks, 2005). It is arguable to what extent this might hold for the case of the Czech Republic because it seems behaviour of both groups of residents do not differ that would suggest households do not behave rationally, but to our knowledge rigorous investigation of this issue in the Czech Republic is missing.



Land owners		Land owners were not directly involved in the interviews and stakeholders' meetings as land ownership is scattered and there does not seem to be an overarching single stakeholder representing land owners. On the general level land owners are assumed to prefer predictable system of spatial planning within which land values are easy to estimate and do not unexpectedly change by changes done to the spatial planning documentation. However the attitude of land owners towards stringency of planning documentation might vary according to actual location of land owned. It has been shown on a stylized model that without any development intensity controls land values are highest in the city center and decrease with distance to the city center. Under uniform height control, land values in the city center are relatively lower compared to the scenario without height restriction, but are higher in areas further away from the city center (Bertaud & Brueckner, 2005). <sup>1</sup>
Speculative investors	land	Although exact data are not available, it is likely the most of land speculation in the Czech Republic exploit land value increases resulting from the change of spatial planning documentation. As the intensity of development given by the spatial plan is obligatory and the change of the spatial plan could be done by the municipal assembly and increase of the land value resulting from such a change is not captured by any mechanism, this creates opportunities for speculation and possibly even corruption. Therefore current system of spatial planning without compensating mechanism for land value change rather promotes this kind of land speculation.
Developers		The key aspects of the planning system and construction permitting process for investors and developers are predictability in terms of duration and process steps, stability, consistency of decisions and all of this delivered in reasonably short periods of time. In overall, investors and developers are much more interested in the processes regarding construction permitting, rather than spatial planning and its regulatives used, unless they already own land subject to regulation. But in such a case they would already qualify as land owners and their interests might be therefore different. Specific investors – national agencies responsible for construction and management of transport and technical infrastructure – are more involved in spatial planning, but they are similarly more concerned about the processes.
Households own house	developing single-family	Segment of single-family houses is very important in the Czech Republic. According to the Czech Statistical Office in 2019 (last pre-covid year) was initiated construction of 20 000 single-family houses and in the same period only 12 500 apartments in multi-family buildings. While exact data are not available, significant share of the single-family houses is likely developed by households themselves, especially outside suburban areas of large agglomerations. These households investing and developing themselves a housing unit constitute a distinct stakeholder.
Large municipalities		It seems the largest Czech municipalities perceive the most shortcomings of the current system of spatial planning and they would be willing to obtain more competencies in the spatial planning. Although the interviewed sample of municipalities was not large enough to precisely define the thresholds when municipality is considered to be large in this particular issue, but as a result of our analysis we assume it is approximately around 20,000 to 40,000 inhabitants.
Municipalities		Other municipalities than large do not seem to struggle so much with the current system of spatial planning. It might be caused by lower exposure to problems that are not treated well within current system of spatial planning. Among these are for instance limited instruments to face suburbanization and its negative consequences, development of underutilized plots in central urban areas and urban densification or promoting development in areas with low costs of public services provision. Also given smaller scale of these municipalities the process of spatial plan procurement seems to be smoother and not that lengthy. Overall, it seems spatial planning issues are not that complex and many in smaller municipalities and are easier to manage even under current system of spatial planning.

<sup>1</sup> This effect of development intensity restriction on land values could be one of the reason why binding height regulation was implemented in Chicago at the beginning of 20<sup>th</sup> century as it benefited owners of land adjacent to the central business district (Willis, 1995).



Planning reformists	<p>The group of planning reformists is internally very heterogeneous and does not share common view on how the planning system should be reformed. The group itself consists of planning experts, academics or experts in related disciplines.</p> <p>If highly simplified, two distinct streams of reformists are significant: First group emphasises the need to reform spatial planning towards objectives in form-based urbanistic planning (new urbanism). This group is especially represented by experts with architecture and urbanism background.</p> <p>Second group rather emphasises the need to integrate separated disciplines of planning and public policies, such as urban planning, regional policy, transport planning and policy, tax and fiscal policies into more coordinated planning. The second group is more represented by experts with backgrounds in regional development, geography or economics.</p>
Planning conservatives	<p>The group of planning conservatives is relatively more homogenous compared to planning reformist and mostly consists of experts with background in spatial planning. While these experts generally admit there are problems in the current spatial planning system, they propose rather mild adjustments of the existing system and keeping functional zoning as the predominant mean of development regulation.</p>
State powers on local and regional <b>level</b>	<p>The state powers on local level and regional level are typically spatial planning departments and others authorities protecting public interests (for instance environmental and heritage protection) executing transferred state powers. These authorities are involved into the process of spatial planning by issuing statements. Broadly speaking, these authorities are used to the current system and do not consider it problematic.</p>
State powers and national agencies <b>on national level</b>	<p>State powers on national level and national agencies are heterogeneous stakeholders as majority of them, excluding Ministry of Regional Development, are not responsible for the spatial planning as whole, but issue regulation that have important implications towards planning. Among these major stakeholders are for instance Ministry of Finance, Ministry of Transport, Ministry of Environment, Ministry of Health and Ministry of Interior. Prevailing problem of the Czech administration is silo-styled organization that is lacking sufficient cooperation between authorities responsible for partial agendas in complex issues such as urban (and spatial) planning (OECD, 2018a). As a result there might be reluctance to modify regulation induced by needs of spatial planning as it is not directly objective of respective ministries. Moreover state administration seems to be more conservative on average regarding changes to existing regulation.</p>
Environmental NGOs	<p>Although environmental non-governmental organizations are not the only ones involved in spatial planning and subsequent construction-permitting processes, they seem to be most frequent and most influential. But others contain for instance heritage protection NGOs or local residents' societies. Involvement of environmental NGOs seems to be skewed towards highly localized issues (such as development of prior undeveloped or underutilized urban land) compared to broader issues (such as opposition towards suburbanization and its resulting carbon footprint).</p>
Administrative court	<p>Administrative court enters the process of spatial planning as a reviewer of contested spatial planning documentation and zoning permit decisions and its case law forms the spatial planning practice and clarifies the interpretation of the legislation. Last but not least, the Supreme Administrative court helps to overlap legislative gaps. Therefore its representatives participate the negotiation procedures concerning of the building and spatial planning reforms.</p>

### 3.2. Results of survey among participating stakeholders

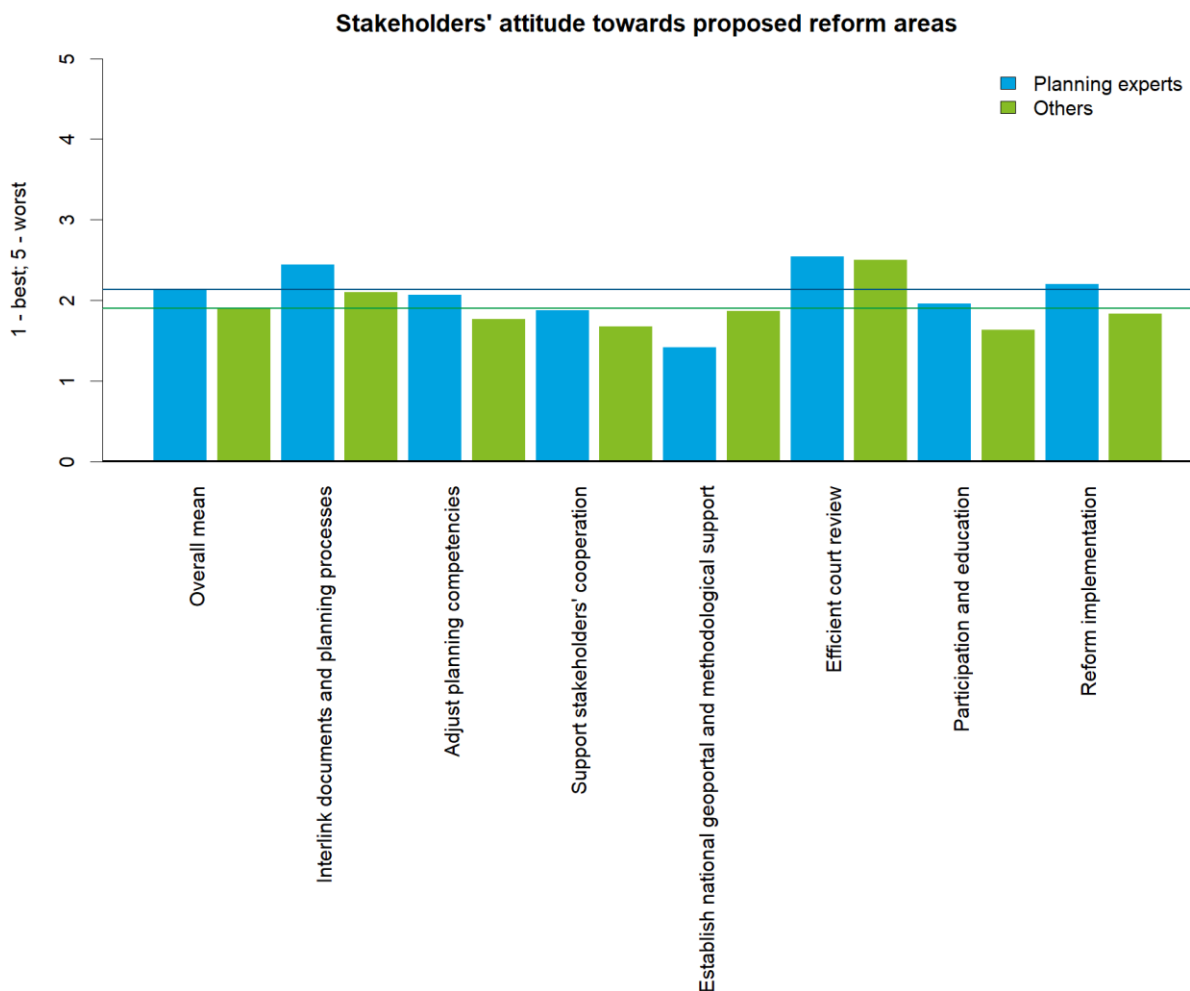
The below presented results are based on the survey conducted among stakeholders after the second stakeholder meeting. Unfortunately the response rate to this survey with only 10 responses was much lower compared to the first survey that took place during the first stakeholder meeting. We suppose this was caused by on-line form of the meeting, unlike the first meeting that was organized in-person, as a response to worsening Covid epidemics in the Czech Republic. The limited number of survey responses allows to make only tentative conclusions and these conclusions could be aggregated only in two groups – spatial planning experts and others as these two groups are equal in size.



The overall rating of the reform proposal is very close to 2 on the scale from 1 (best) to 5 (worst). Spatial planning experts are slightly more critical compared to other stakeholders and this holds for all reform categories with exception of national geoportal and methodological support that was rated better by planning experts compared to others.

Proposed reform areas that were rated 'better than average' are Adjust planning competencies, Support stakeholders' cooperation, Establish national geoportal and methodological support and Participation and education. Conversely, 'worse than average' were rated Interlink documents and planning processes and Efficient court review. The Reform implementation was very close to the average mark. However, ratings of parts of the reform are in overall very close to the average rating. Highest deviation from average grade is seen in case of Establishment of geoportal by planning experts who rate this significantly better compared to their average rating and then Efficient court review that has significantly worse rating by other stakeholders compared to their overall average rating.

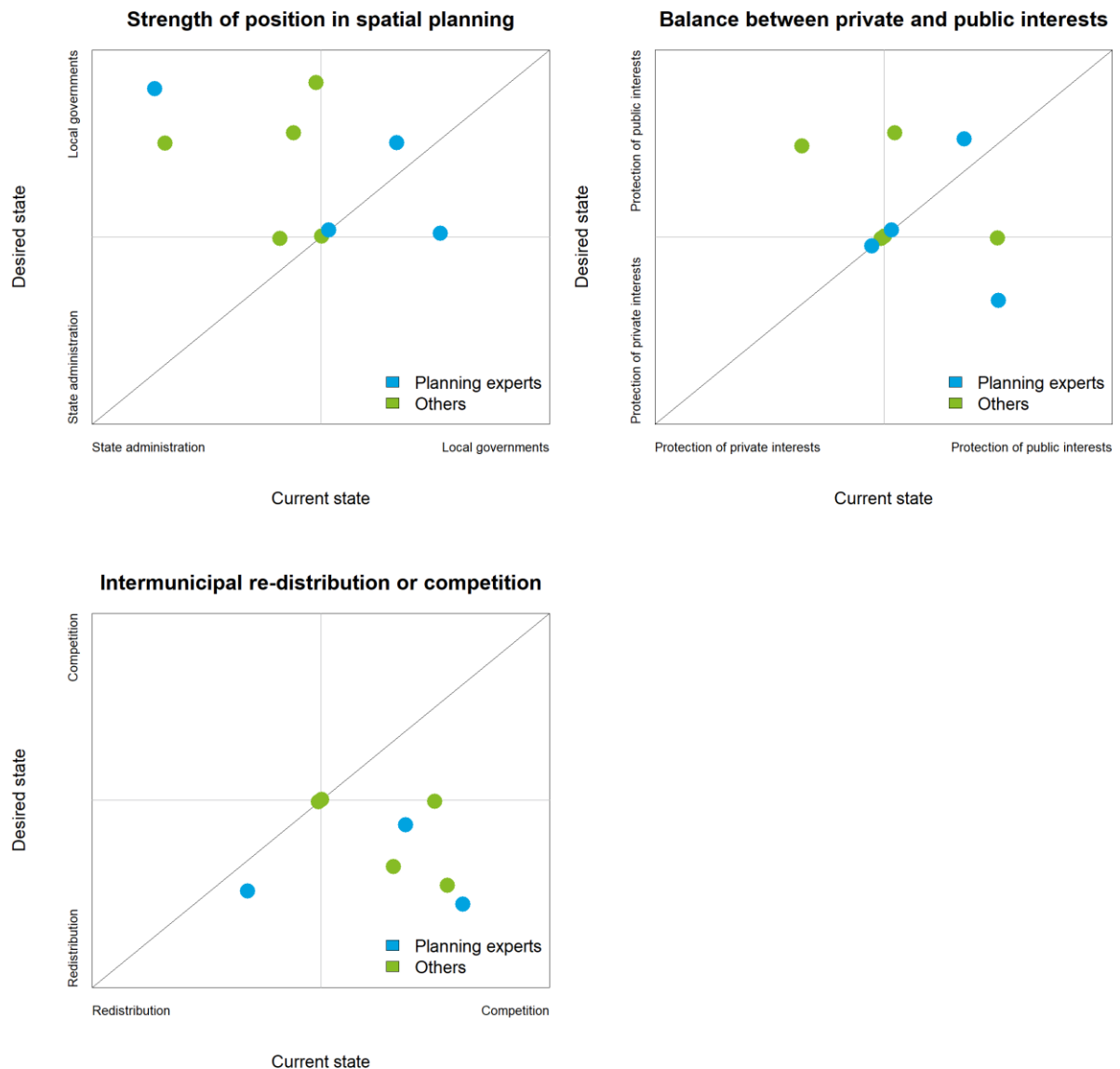
**Figure 1: Reform proposal survey results**



In the second part of the survey respondents were given three questions about current condition of spatial planning and optimal condition of spatial planning from their perspective. The first question asked about sharing competencies between state powers and local self-governing units. The second question aimed on perceived balance between protecting private interests and public interests. The third question asked about the cooperation or competition between individual municipalities. Each dot in the plots below represents one answer in the survey. The horizontal dimension measures current state of spatial planning and the vertical dimension desirable state of spatial planning.



**Figure 2: Perception of essential issues in the spatial planning**



The top left plot shows current and desired sharing of powers between state administration and local self-governing powers. The responses are grouped significantly to the left meaning the current system is perceived to give more competencies to state powers. Also all the responses are grouped in the upper part of the plot meaning that overall attitude is the local self-governing powers should have more powers. Less than half of responses is located along the diagonal that represents answers that express the desirable state is the same as current state. Only one response is located below this diagonal that means currently local self-governing bodies have stronger position than they should have. Interestingly, among the stakeholders who would give more competencies to local self-governing bodies predominates stakeholders others than planning experts.

The top right plot showing balance between private and public interests majority of replies is concentrated along the main diagonal so on average the current state is about the same as the desirable state in terms of balancing public and private interests. Also the average response is located in the center slightly towards protection of public interests.

The bottom plot showing balance between intermunicipal redistribution (cooperation) and competition has somewhat surprising results of the survey. Majority of stakeholders, no matter



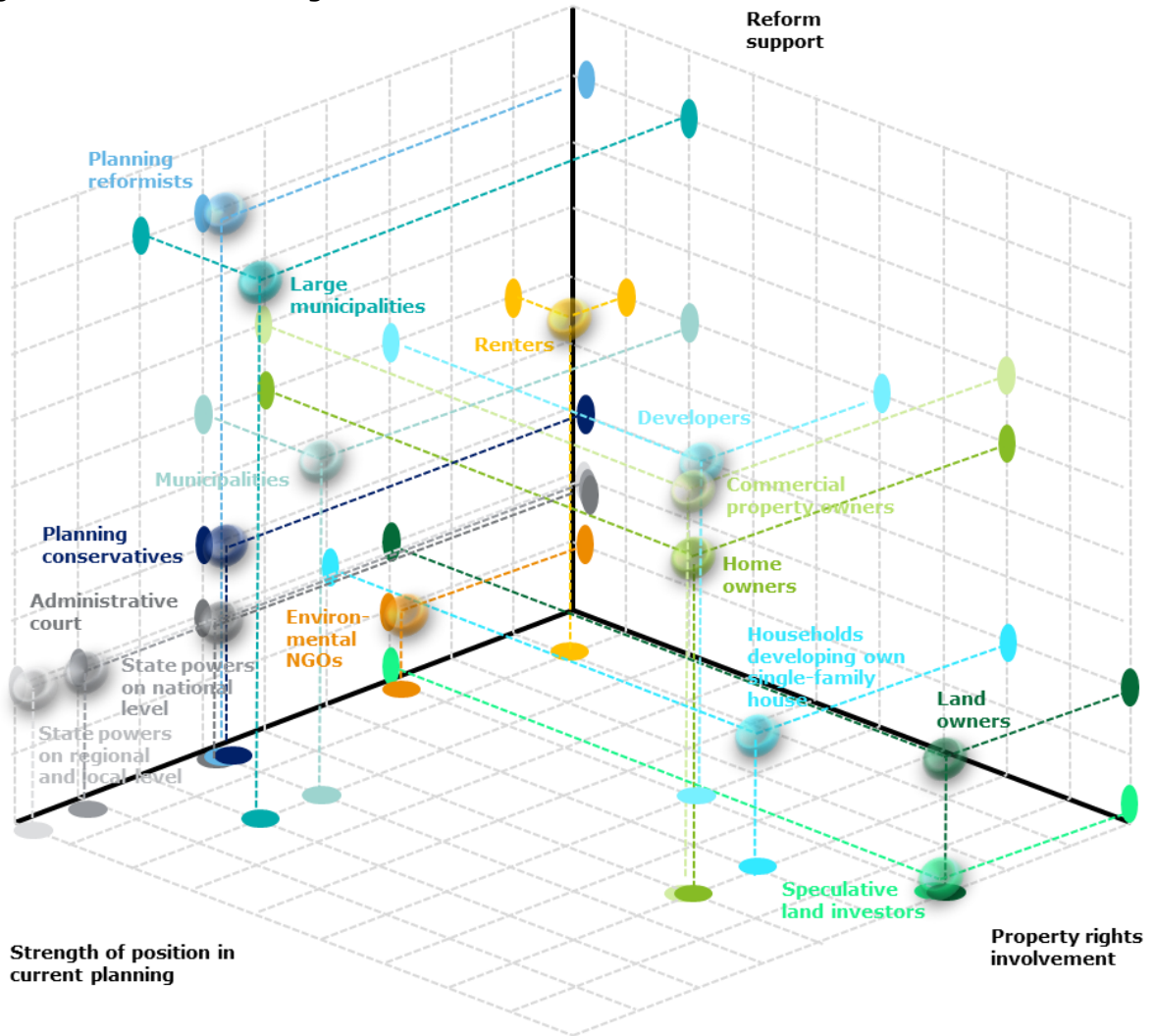
whether planning experts or others, consider current situation as more competitive while the desirable state would be more cooperative. This could be considered as contradicting previous findings and stakeholders' attitudes who for instance generally agreed with higher municipal fiscal autonomy and inclusion of financial instruments into spatial planning. These both changes, however, would likely increase disparities and competition between individual municipalities because they would derive more of their municipal revenues from their tax and fees collection and would have to be less reliant on the national tax redistribution system. On the other hand it is true the current system of the tax redistribution also incentivizes competition as taxes are redistributed predominantly on the per-capita basis that might motivate municipalities to compete for residents, especially if the tax revenues for each additional resident are higher than related costs. The call for higher level of cooperation could be also result of currently weak supra-municipal planning. In any case, the topic of intermunicipal cooperation and competition is a complex one with many consequences and therefore should be carefully discussed with relevant stakeholders and then communicated in sufficient detail.

### **3.3. Assumed attitude towards spatial planning reform**

While during the stakeholders' meeting stakeholders were divided into groups according to their category (state powers, investors and developers, planning professionals etc.) it has turned out they form distinct clusters regarding their position in current planning system and expected support for proposed reform and there are some categories of stakeholders that are internally quite heterogeneous with respect to the depth of potential reform. Such heterogeneity could be found for instance among spatial planning experts and academics where rather two groups – more and less supportive of deeper reform – have formed.



Figure 3: Stakeholders' diagram



## Homeowners

<p>Position in current planning</p>	<p><b>Currently homeowners as owners of real estate affected by spatial plan could submit objections that must be evaluated by the spatial plan processor (transferred powers of state administration) in coordination with selected representative of municipal assembly. Although objections have to be evaluated, they are assessed with respect to public interests and do not have to be granted. Homeowners could be represented in the spatial planning process not only on the grounds of their property ownership, but also thru public representative<sup>2</sup>. Besides direct involvement in spatial planning process, homeowners vote for their elected representatives who are responsible for spatial planning and development.</b></p>
<p><b>Property involvement</b></p>	<p>Homeowners are highly involved thru their real estate property that is likely to be their most valuable single asset (Fischel, 2001) and therefore significantly contributes on their private wealth. Although there are mechanism to compensate homeowners for extreme interventions regarding their property, such as expropriation, there are missing mechanisms that compensate for significant changes to property values, such as rezoning for lower densities or planning nuisances in close proximity.</p>
<p><b>Reform support</b></p>	<p>Generally homeowners should be better-off due to the proposed spatial planning reform as their property would be more protected against depreciation of their property thru the system of compensations. At the same time homeowners are known to be conservative and generally opposing changes to their neighbourhoods. As this reform aims at objectives of compact development, this might be in conflict with attitudes of homeowners. Therefore resulting attitude towards the reform might be mixed or mildly positive.</p>

## Commercial property owners

<p>Position in current planning</p>	<p><b>Commercial property owners can submit their objections to the spatial plan if the plan affects their real estate similarly as homeowners can. Otherwise their possible involvement is limited to either participative processes in the process of commissioning spatial plan or lobbying.</b></p>
<p><b>Property involvement</b></p>	<p>Commercial property owners are highly involved in terms of property rights as real estate property value is affected by spatial planning regulation. However, firstly the spatial planning regulation has rather indirect effects on value of existing property stock through limiting new construction and potential competition or changes in the locality capitalizing into the property values. Secondly, unlike homeowners, commercial property owners will likely have wider and diverse portfolio of properties so they are not likely to be that much affected by single specific land-use regulation.</p>
<p><b>Reform support</b></p>	<p>As the proposed reform assumes stronger protection on private property value commercial property owners are expected to be rather supportive. The only issue is that the reform promotes easier development in desirable areas that might stabilize real estate values in the longer run so the growth of real estate prices would be lower. This effect could decrease overall acceptance of the reform by commercial property owners.</p>

<sup>2</sup> section 52 of Act 183/2006 Coll.





## Renters (residents)

<b>Position in current planning</b>	<b>rights</b>	<b>Unlike homeowners renters are involved only indirectly to the spatial planning process through public representative who can raise objections towards proposed spatial plan. Otherwise they are also indirectly represented through elected representatives in the municipal assembly<sup>3</sup>.</b>
<b>Property involvement</b>	<b>rights</b>	Renters are not involved in terms of property rights in spatial planning and development.
<b>Reform support</b>		It is expected renters would have mixed attitude towards the reform. While on one hand promoting new construction in desirable areas should prevent rents from significant growth, on the other opposition towards new development, although likely not rational, might offset this.

## Land owners

<b>Position in current planning</b>	<b>rights</b>	<b>Land owners can submit their objections to the spatial plan if the plan affects their land as commercial property owners can.</b>
<b>Property involvement</b>	<b>rights</b>	Land owners are highly involved in terms of property rights. Spatial planning regulation especially affects land values and therefore land owners are highly interested in the spatial planning processes and outcomes.
<b>Reform support</b>		Land owners are very likely to be in opposition towards the proposed reform, because economic compensations would capture significant share of land appreciation caused by potential spatial plans' adjustments. Currently downzoning which would result into compensations towards land owners is not common, while conversion of undevelopable land into developable or increase of its development intensity is frequent. The later would be now subject to compensation paid by landowner so land owners would be worse-off by proposed reform.

## Speculative land investors

<b>Position in current planning</b>	<b>rights</b>	<b>Speculative land investors have the same position in the process of preparing spatial planning documentation if they hold the land in question. Apart from process of preparing spatial planning documentation speculative land investors submit applications to rezone their land for a more productive use and lobby for its approval by municipal assembly.</b>
<b>Property involvement</b>	<b>rights</b>	Speculative land investors are involved in terms of property rights in a same manner as land owners.
<b>Reform support</b>		Speculative land investors would likely form the strongest opposition towards the proposed reform as the reform would make land speculation significantly less attractive due to the compensating mechanism aimed on capturing land value increases caused by change of planning documentation.

<sup>3</sup> Right to elect representatives into the municipal assembly is contingent on being registered as a permanent resident of a given municipality.



## Developers

<b>Position in current planning</b>	<b>Developers, unless they own land and therefore are landowners or they are eligible investor<sup>4</sup>, are not involved in the process of spatial planning regulation procurement, but they can apply for change of spatial planning documentation.</b>
<b>Property involvement</b>	<b>rights</b> Developers are involved in terms of property rights only during the time of the project's development when they typically own land. As permitting process is very lengthy in the Czech Republic this period could be actually quite long and during this period they might be very sensitive to changes of land use regulation as such changes could negatively affect their project's profitability.
<b>Reform support</b>	It is likely developers would not oppose proposed reform if transitional provisions will ensure there will be no additional major costs imposed on already initiated projects. In general, developers are indifferent where they build new construction (unless they already have acquired land and they become land owners). They would will invest in areas that maximize their profit according to the market conditions that are partly determined by the spatial planning documentation.

## Households developing own single-family house

<b>Position in current planning</b>	<b>The position of households developing own single-family house in spatial planning in a municipality where they intend to build their dwelling depends whether they have a permanent residence there (they can therefore vote in local elections) or if they already own land (and would in such case similar to landowners).</b>
<b>Property involvement</b>	<b>rights</b> If this stakeholder already owns land he or she is involved regarding property rights as land owner and to some extent as homeowner as it is expected he or she will once build a housing unit on the given land plot.
<b>Reform support</b>	This specific stakeholder is expected to oppose proposed reform. The reform propose economic instruments to cover costs of sprawling development in a form of planning and service fees. As the single-family houses sector on greenfield sites is costly in terms of public services provision so this real estate segment will be relatively more affected.

## Large municipalities

<b>Position in current planning</b>	<b>Municipalities are responsible for planning and development and they share competencies in planning together with state authorities as described in the Analytical report. Large municipalities claim the competencies are too much skewed towards state authorities and this view was also shared among participants of the second stakeholders' meeting according to conducted survey.</b>
<b>Property involvement</b>	<b>rights</b> Property rights involvement of municipalities vary. Ownership of undevelopable land such as public spaces is common, but value of such land is very limited and its development is not desirable. Combination of monopoly over spatial planning and strategic land acquisition to capture added value by increasing developable intensity is rare <sup>5</sup> .
<b>Reform support</b>	Large municipalities are assumed to be supportive towards proposed reform as they would gain more competencies in planning including opportunities to employ newly designed economic instruments. While it is possible that large municipalities would bear disproportional burden of new agglomeration-level planning they are likely to accommodate this new agenda thanks to their developed administration and because it is especially in their interest to participate on the agglomeration-level planning.

<sup>4</sup> Owner, maintainer or operator of transport or public technical infrastructure according to the section 23a of the Act 183/2006 Coll.

<sup>5</sup> An example of municipality (although small one) that combined land acquisition and spatial planning tools to capture value added by changes to planning regulation is Lipno nad Vltavou (Zidek, 2017).



## Municipalities

<b>Position in current planning</b>	<b>rights</b>	<b>All municipalities has according to the Czech legislation the same competencies in the spatial planning. However, smaller municipalities are more reliant on services of spatial planning documentation processors (state administration) as they often do not have sufficient institutional capacity and expertise due to small scale of individual municipalities.</b>
<b>Property involvement</b>	<b>rights</b>	Property rights involvement of smaller municipalities is the same as in case of large municipalities and is likely to vary significantly and control over developable or developed land is rather limited.
<b>Reform support</b>		Expected attitude of municipalities other than large is rather ambiguous. While municipalities are expected to obtain more competencies in planning and employment of economic instruments, smaller municipalities might struggle to efficiently utilize these instruments as they might be too small to run this new agenda alone and might be reluctant to cooperate with other municipalities to accommodate the agenda jointly. Also some smaller municipalities can nowadays freeride in the system as they could plan new development and exploit its benefits of inflow of new residents and related tax redistribution and at the same time rely on other municipalities with public services provision. This freeriding would be impeded to some extent in the proposed system.

## Planning reformists

<b>Position in current planning</b>	<b>rights</b>	<b>Planning reformists are experts in the spatial planning field who are providing their expertise to other stakeholders in the spatial planning processes either as entrepreneurs, employees of municipalities, regions or state administration. They are also elected representatives of self-governing bodies, they hold academic positions or are involved in NGOs. Their formal position is therefore dependent on position of stakeholder they represent. Otherwise their informal position is strengthened by their expert authority.</b>
<b>Property involvement</b>	<b>rights</b>	Planning experts are not directly involved in terms of their property rights.
<b>Reform support</b>		Planning reformists are expected to support proposed spatial planning reform. It designs principles that reformists are calling for, such as moving more competencies to self-governing bodies, inclusion of new instruments and their mutual coordination, stronger supra-municipal planning and modification of municipal spatial plans and inclusion of new development plans. As emphasised before, planning reformists are internally heterogeneous and they individually might welcome some aspects of the reform and criticize others.

## Planning conservatives

<b>Position in current planning</b>	<b>rights</b>	<b>The position of planning conservatives is the same as of planning reformists. They represent various stakeholders in the process of spatial planning and their formal position is derived from formal position of stakeholders they represent. Their informal position is also strengthened by their expert authority.</b>
<b>Property involvement</b>	<b>rights</b>	Planning experts are not directly involved in terms of their property rights.
<b>Reform support</b>		Planning conservatives are expected to oppose proposed reform. While they might support some proposed changes, they are likely to disagree with fundamental aspects of the reform, such as devolution of more powers to municipalities, integration of the spatial planning with strategic planning, inclusion of economic instruments as a new tool of spatial planning and relaxing requirements for spatial plans.



## State powers on local and regional level

<b>Position in current planning</b>	<b>State power on local and regional level have strong position in the system of spatial planning. They formally process the procurement of spatial planning documentation and their view of legality of elaborated documentation and interpretation of public interests and their magnitudes might affect final form of documents significantly. Also state powers (state authorities protecting public interests) issue their statements to spatial planning documentation that must be evaluated and unless they are disputed they must be settled.</b>
<b>Property involvement</b>	<b>rights</b> State powers are not involved in terms of property rights.
<b>Reform support</b>	State powers on local and regional level are likely to oppose proposed reform. In overall, competencies are proposed to be devolved to municipalities and regions making position of the state administration on the local level weaker.

## State powers and national agencies on national level

<b>Position in current planning</b>	<b>Position of state powers on the national level is relatively strong, because they can significantly affect spatial planning practice with their sectoral legislation and implementing regulation<sup>6</sup>.</b>
<b>Property involvement</b>	<b>rights</b> State powers are not involved in terms of property rights.
<b>Reform support</b>	The attitude of state powers might be mixed, but rather negative. On one hand reform proposes to move some competencies regarding planning and investments into infrastructure of national importance to the national level and its agencies, but otherwise the position of state powers on the local and regional level is weakened. Moreover to successfully implement the reform changes of related legislation and implementing regulation within competencies of ministries other than Ministry of Regional Development will be necessary. However, other ministries, as spatial planning is not their primary objective, might be reluctant to implement proposed changes.

## Environmental NGOs

<b>Position in current planning</b>	<b>Although formally position of NGOs in the system of spatial planning is rather weak as they do not hold property affected by the spatial plan and they do not participate in the political process and their only option is to raise objections if they form public representative<sup>7</sup>. Besides common processes of spatial planning, NGOs seem to be successful in exploiting options of documents review that could efficiently impede projects' planning and execution. However, one of the last Building Act amendment significantly restricted their option to participate on various processes. This restriction has now been confirmed by the Constitutional Court.</b>
<b>Property involvement</b>	<b>rights</b> Environmental NGOs are not involved in terms of property rights.
<b>Reform support</b>	We assume Environmental NGOs will rather oppose proposed reform because more competencies and discretion over planning issues is left for self-governing units to determine planning goals through political process. Also the proposal emphasises the need to aim judicial review on planning content rather than process that is commonly contested part of the spatial planning documentation. Nevertheless, the reform must withstand the standards of the Aarhus Convention in order to prevent potential court review.

<sup>6</sup> Examples are for instance tax code and municipal fees, technical requirements for transport and technical infrastructure, noise limits, requirements of heritage protection or land and natural areas protection.

<sup>7</sup> According to the article 23 of Act 183/2006 Coll.



## Administrative courts

<b>Position in current planning</b>	<b>The position of the administrative courts in the spatial planning is relatively strong because they review disputed spatial planning documentation and individual decisions made according to the planning documentation. The results of review, if the documentation is found illegal, could partly or completely invalidate contested planning documentation<sup>8</sup>. The administrative courts' case law therefore forms the spatial planning practice. Since the adoption of the new Building Act in 2006 and the new form of spatial planning documentation – the general nature measure – the case law has evolved. Therefore, the judicial practice nowadays has become more predictable and there are well set limits and principles of the judicial review of spatial planning documentation before administrative courts.</b>
<b>Property involvement</b>	Administrative court is not involved in terms of property rights.
<b>Reform support</b>	Based on the previous case law the representatives of the administrative courts expressed their comments on the proposal of the Building Act reform. Only a few of them concerned the area of spatial planning where there were not proposed so many changes so far. However, in terms of our proposed changes in judicial review, such as incidental review (a spatial planning documentation contest associated with the zoning permit based on the documentation) or requirement to consider material aspects of a dispute, we expect the administrative courts are likely to oppose these proposals based on their previous case law.

<sup>8</sup> Major issue undermining the whole essence of spatial planning of setting shared ruled is zoning permit-induced review of spatial planning documentation. If a zoning permit is disputed and it is found the project meets requirements of the spatial plan, but the spatial plan itself is illegal, the spatial plan or its part could be invalidated. There is no time limit to commence this review and therefore spatial planning documentation cannot provide certainty about permitted land-uses and resulting land values.



## 4. Friction areas and their communication

This chapter discusses areas of the proposed reform that are expected to be controversial as they are differently perceived by individual stakeholders. For each friction the reform proposal is briefly introduced and expected attitudes of most involved stakeholders are discussed. Each friction area is concluded with list of proposed communication principles toward stakeholders' group to familiarize them with the reform's purpose and objectives and when possible to provide arguments mitigating their doubts.

### 4.1. The need for the spatial planning system reform

There does not exist definite consensus, whether current system of the spatial planning needs a reform, although majority of stakeholders admit change to some extent is needed. Planning conservatives and some representatives of state authorities on local, regional and national level are inclined to milder update of existing legislation. They especially emphasize the continuity of existing system, its accommodation by involved stakeholders and some of them see possible reform as a thread to the spatial planning system. Conversely, spatial planning reformists and other stakeholders who share their view point on notorious problems of the Czech planning and development outcomes and call for a reform.

#### Communication principles

<b>Stakeholders</b>	<b>Planning conservatives, State powers on local and regional level</b>
<b>Types</b>	Involve into reform preparation process, Communicate analytical background that makes reasoning for the reform.
<b>Content</b>	Both of these stakeholder groups are experts in the spatial planning. Main communicated content should be underlying analytical materials that assess to what extent is current spatial planning efficient and whether it meets desirable outcomes in terms of sustainable development. These materials should cover especially evaluation of reaching goals of sustainable development, the ability of consensus building during planning process and in terms of particular issues suburbanization and inefficiencies in settlement structure development. Especially the need for more holistic approach to planning covering both spatial and strategic planning and considering wider range of interests that are currently weakly protected should be emphasised.
<b>Phasing</b>	Representatives of these stakeholders should be invited at the beginning into the stakeholders' board supporting reform steering committee in managing the reform. After completing analytical inputs stakeholders should guide executive in preparing materials for dissemination among planners and especially state powers on local regional level.

<b>Stakeholders</b>	<b>State powers on national level and national agencies</b>
<b>Types</b>	Involve into reform preparation process, especially consult changes affecting legislation within their competencies.
<b>Content</b>	State powers on national level and agencies are not experts in the spatial planning and based on the analysis done, communication towards them must be focused on how regulation within their competencies affect spatial planning and subsequent spatial development. Social cost-benefit analysis would be appropriate tool to present the magnitude of problems in spatial planning expressed in monetary terms to make them comparable with other issues state powers are dealing with.
<b>Phasing</b>	Communication of the extent of problems in spatial planning that are caused or partly caused by legislation beyond competencies of the Ministry of Regional Development must be done at the beginning of the reform preparation, because willingness to modify legislation within competencies of other ministries will determine how deep the reform could be.



## 4.2. More integrated approach to spatial planning

The reform proposes the strategic plan on the respective level of government should be obligatory for consequent spatial planning documentation that should contribute to the set goals in the area of spatial planning.

The need for deeper coordination of the strategic planning documentation and spatial planning documentation was generally expressed by majority of involved stakeholders. However, the proposed requirement that spatial planning documentation must be elaborated in accordance with strategic documentation might be opposed by spatial planning experts, both conservatives and to some extent reformists. Planning experts might see the obligation to design spatial planning documentation aligned with strategic documentation as limiting their expert competencies.

There is a consensus the planning should promote sustainable development, but in practice assessment of sustainable development is limited to environmental issues, for instance addressed in the SEA and EIA assessments. This view is in general shared among majority of stakeholders, although severity of perception of this problem varies. Conversely, environmental NGOs do not consider current environmental protection sufficient and state administration in charge of environmental protection seems to be satisfied with current state.

One part of the problem of the lack of integrated planning is separation of planning disciplines in the education system and in professional bodies. It was mentioned spatial planning practice requires state authorization (issued by professional bodies that are delegated with state powers to issue state authorizations) and they do not let professionals with other educational and professional backgrounds into the discipline so it lacks diversity.

### Communication principles

Stakeholders	Planning conservatives, Planning reformists
<b>Types</b>	Joint participative meetings of strategic planners and spatial planners concluded by summarizing report.
<b>Content</b>	The analysis has shown the two branches of planners and planning are not mutually aware of the discipline of the others. The intention of the series of participative meeting would be to discuss existing problem in the Czech spatial development and design of optimal policies facing them. The desirable outcome of these workshops would be agreement about synergies between tools used in strategic and spatial planning, better understanding of the experts from the second planning branch and mutual respect. To increase the reach of such participative series summarizing report should be prepared.
<b>Phasing</b>	This activity could be done simultaneously with reform preparation, but should be completed and report distributed before the final report proposal is released and communicated.

Stakeholders	State authorities protecting environment, Environmental NGOs
<b>Types</b>	Expert meetings, elaboration of social cost benefit evaluation of contemporary regulation on spatial development outcomes.
<b>Content</b>	Prevailing problem of public interests protection in the spatial planning is their scatteredness across many state authorities subordinated to various ministries. Individual authorities are experts within their fields, but they are unable to assess to what extent the interest they protect is important compared to other existing interests. For that reason complex reliable evaluation of costs and benefits of current regulation in spatial planning should be assessed, both for justification of the adjustment of regulation inferring into spatial planning and to provide reasoning to state authorities why protection of some interests is proposed to be weakened.
<b>Phasing</b>	The social cost benefit analysis of outcomes of spatial development regulation should be done early in the reform project process as its results should guide which current sectoral legislation might be weakened. Later during the project report justifying changes to existing regulation targeted on state authorities (not only) protecting environment should be issued.



## 4.3. Transfer of competencies to self-governing units

The reform proposes changes to the current system of sharing competencies over planning between delegated state powers and self-governing bodies. While municipalities and regions should gain more powers regarding planning on their level, more powers should be transferred to national level especially related to planning infrastructure of national interest.

State administration on the national level and national agencies investing into and operating nation-wide transportation infrastructure are expected to welcome the proposal to give them more competencies over the systems of national importance. Conversely, municipalities are expected to oppose this proposition, but it could be to some extent mitigated by compensations for nuisances such as increased noise caused by nation-wide transport infrastructure.

Regarding competencies' sharing between state administration and self-governing units in case of municipal planning, there is a disagreement between representatives of state administration on one side and representatives of self-governing units and most of planning reformists on the other. Majority of proponents of devolution of more competencies to the self-governing bodies agree with principle of competencies' sharing, but they prefer stronger position of self-governing bodies. This attitude is stronger especially in large municipalities. Arguments to maintain current distribution of competencies are for instance higher control over public interests protection, correct management of the process of spatial planning documentation procurement and easier assistance to small municipalities without sufficient institutional capacity.

Rather ambiguous attitude on devolution of powers to municipalities is expressed by developers. They welcome concentration of competencies into one stakeholder responsible for development and planning and possibly easier negotiation about conditions for approving construction, but they fear possible political instability that might jeopardise their projects they have already invested in.

Part of the problem of competencies' sharing is definition of public interest and assessment of competing interests to meet overall public interest. Currently the proposed spatial planning documentation and submitted objection against it are assessed by state administration. There are concerns the state administration is not incentivized to search for solutions maximizing overall welfare within limits of sustainable development, but rather choose a planning outcome that does not collide with requirements given by the authorities protecting public interests, especially if formally protected interests collide with ones not protected by specific regulation, such as quality public space, jobs' growth and accessibility and sufficient provision of developable land. In this problem especially large municipalities are willing to have higher level of discretion over definition of the public interest. This view is not shared especially by state administration on all levels.

### Communication principles

Stakeholders	Municipalities
<b>Types</b>	Involvement into preparation of detailed implementation regulation regarding definition of systems of national and regional importance, regular information through Union of cities and municipalities of the Czech Republic and Union of local governments.
<b>Content</b>	The information should focus on the fact that neither state administration nor self-governing units will have more or less competencies. The important aspect of the reform proposal is the aim to concentrate competencies and decision-making powers on appropriate level. Although municipalities would have weaker position regarding projects of national and regional importance, this would be offset by stronger position in planning municipal affairs for instance through locally defined interests in the strategic plan that would be obligatory for commissioned spatial plan and would have to be considered by the plan processor. Municipalities should be also informed about necessity to monitor national and regional spatial planning documentation could be used for decision-making regarding planned projects of national and regional importance respectively.
<b>Phasing</b>	Main involvement of representatives of municipalities might be done in the second stage of the project when the framework of the reform is settled and when preparation of detailed implementing documentation defining planning





competencies could be commenced. Progress in documentation preparation should be reported to stakeholders representing municipalities.

<b>Stakeholders</b>	<b>State powers on national level and national agencies</b>
<b>Types</b>	Involvement into preparation of detailed implementation regulation regarding definition of systems of national and regional importance, information about the progress regularly.
<b>Content</b>	Communication towards state administration and national agencies should focus on shifting competencies over planning systems of national infrastructure and other features of national importance to the national level that should help make planning processes easier. National agencies planning and operating nation-wide infrastructure seem to oppose proposal for significant devolution of powers to municipalities. Therefore they have to be re-assured the majority of planning issues in their interest would be actually transferred to the national level.
<b>Phasing</b>	Informing about the progress of reform design should be done regularly from early beginning of the project. Involvement into preparing more detailed implementing regulation regarding definition of planning competencies should take place in te second phase of the project.

#### 4.4. Inter-municipal cooperation

The reform proposes two important tools for inter-municipal cooperation and planning. The first is agglomeration planning done by agglomeration board with a main purpose of coordination of development and public services provision within supra-municipal functional areas. The coordinating document – agglomeration plan – is proposed not to be binding for individual municipalities. However, compliance with this plan would be required to have access to financing from the agglomeration budget. The second tool of municipal cooperation are municipal consortia formed by small municipalities to jointly exceed minimum threshold of number of inhabitants that is estimated between 3,000 and 5,000. These consortia should nominate their representatives into the agglomeration boards and also should be incentivised to jointly plan and provide public services and administration.

Most of stakeholders call for stronger agglomeration-level planning as a response to challenges such as suburbanization and related natural land consumption, transport infrastructure investments and investments into public amenities. However, extreme municipal fragmentation and resistance against reform to reduce number of self-governing municipalities combined with weak planning on the regional level (in the area of development coordination) left current system of development planning and management mostly decentralized on municipal level. The proposed instrument of the agglomeration plan should overcome these difficulties as it would similarly to strategic documents manage development not through regulations, but incentives provided from the agglomeration budget.

It is likely large municipalities will welcome this new tool, because these usually bear the costs of suburbanization such as high volumes of car traffic in their city centers, requirements on provision of public transit and overutilization of their public amenities by non-residents. Similarly this tool might be welcome by smaller municipalities around the core cities that have high potential for further development, such as ones located along capacity rail infrastructure or well-connected by other means of public transport. Conversely, small municipalities in agglomeration hinterlands that are exploiting the opportunity to grow, but they are imposing costs on other municipalities, are likely to oppose proposed tool of agglomeration plan.

Small municipalities might also have ambiguous attitude towards formation of municipal consortia. This should allow them to share expenses of administration and among others on professional planning experts, either hired or being permanently hired by the municipal consortium as a part of their administration. According to the representatives of smaller municipalities they typically do not struggle so much with spatial planning issues and they might not welcome higher share of



competencies. This is likely caused by less complex issues of spatial planning in the smaller municipalities that have rather a form of decision about individual projects.

## Communication principles

Stakeholders	Large municipalities
<b>Types</b>	Guidelines, involvement in reform preparation.
<b>Content</b>	Large municipalities are assumed to be key drivers of the agglomeration planning. They should be incentivised to discuss agglomeration delineation with regional planning authorities and build network with representatives of municipalities in their hinterland to be prepared to commission agglomeration plan. Municipalities are welcome to utilize their experience with preparing strategies for and implementing integrated territorial investments and similar tools aimed on smaller cities. Also information should be provided how agglomerations will be able to use resources from European funds.
<b>Phasing</b>	At the end of the first phase of the reform preparation project, when it is decided whether the tool of agglomeration plan will be implemented, large municipalities should be approached and provided with guidance how to establish agglomeration boards to be prepared for its formal initiation.

Stakeholders	Municipalities
<b>Types</b>	Regular information, guidelines.
<b>Content</b>	In the communication towards small municipalities the aim of the devolution of powers to local self-governing units should be emphasized. Despite small municipalities might protest against cooperation with other municipalities, it should be noted they are not forced to do so and the only reason is to motivate municipalities to cooperate to save public expenditures due to savings when services are provided in larger scale. It should be also stressed the current proposal of municipal cooperation is a result of strong opposition against municipal subdivision reform that would reduce number of self-governing units. Small municipalities should be provided with guidelines how to establish municipal consortium and how administration could be shared within the consortium.
<b>Phasing</b>	Regular information about the project development should be provided from early beginning. The initial guidelines about settling municipal consortia and possibilities of administration sharing should be released for commenting and updates at the end of the second phase of the project.

## 4.5. Spatial planning documentation standardization

The reform proposes the underlying data used for spatial planning and analytical materials should be standardized on the national level. For the regulative part of the spatial planning documentation standardized framework and digital data structure should be set, but within this framework particular definition of the regulation should be left unconstrained to let spatial planning experts together with municipalities to define appropriate regulation meeting best local needs.

The attitude to what extent spatial planning documentation should be standardized differs even within individual groups of stakeholders depending on whether they share point of view of planning reformists or planning conservatives. There exist both representatives of state administration and planning experts who prefer one or the other approach. Highly standardized planning documentation seems to be preferred especially by public transport and technical infrastructure investors who commonly plan projects across dozens of municipalities and multiple regions. Higher degree of standardization is also preferred by state authorities protecting public interests who are issuing statements in the process of spatial plan procurement.

There is a general consensus the underlying data used for spatial planning and obligatory analytical parts should be standardized on the national level. However, the opinion on the standardization of regulation used in planning documents varies. Planning reformists prefer no or limited standardization while planning conservatives prefer higher level of national standardization.



Stakeholders representing municipalities and spatial planning reformists also emphasize the need for enough flexibility of the spatial planning documentation, such appropriate detail of the planning documentation<sup>9</sup> or possibility to individualize regulation to meet specific requirements of local context.

## Communication principles

<b>Stakeholders</b>	<b>Planning conservatives, planning reformists, state administration</b>
<b>Types</b>	Expert working meetings, participation on standards definition.
<b>Content</b>	Significant share of stakeholders consider current recommended standards in spatial planning insufficient and not reflecting real needs of spatial planning. Communication towards proponents of currently designed standards should emphasize potential clash among spatial planners that would be rather harmful. Also taking into consideration set of new tools proposed by the reform it should be stressed it would be better to postpone obligatory standardization after evaluating how new economic tools were implemented into the Czech spatial planning system and how they could be efficiently combined with existing spatial planning tools. It should be also communicated it is assumed initially standards set for regulation should have rather wider categories that are do not limit their applicability in various contexts and that should be sufficient for nation-wide evaluation for which less detailed categories should be sufficient.
<b>Phasing</b>	The initial standards defined by implementing regulation should be prepared during the second stage of the reform preparation project. More advanced standardization could be done after evaluating the initial stage of reform implementation.

<b>Stakeholders</b>	<b>National agencies</b>
<b>Types</b>	Consultations, regular information.
<b>Content</b>	National agencies investing into and operating nation-wide infrastructure are among the strongest proponents of standardization. Communication towards them should emphasize the postponed standardization is to some extent offset by transfer of competencies over planning of national and regional infrastructure to the respective levels of government that should make planning of these systems easier.
<b>Phasing</b>	The communication could start at the beginning of the project.

## 4.6. Obligatory two-level municipal planning

The reform proposes compulsory two-level planning system on the municipal level. The upper level – spatial plan – should define developable land, stabilized, development and transformation areas and overall framework for urban form, public spaces and infrastructure and amenities. The spatial plan, unless explicitly stated, would not be used for decision making during building permitting process. For all the development and transformation areas commission of detailed development plans would be obligatory and these plans would define not only functional use and built-up form, but also other requirements that must be met to approve development, such as participation on public amenities.

Current spatial planning practice is not sufficient in terms of documents used on the municipal level. Very detailed spatial plans covering whole area of a municipality are used as a key underlying document for decision making for providing zoning permit, but they are not detailed enough to provide information how individual plot of land could be developed and therefore what is its value. Although more detailed regulation plans are assumed by Building Act, their usage is sparse due to often mentioned cumbersome process of regulation plans' adoption.

Developers are likely to welcome obligatory detailed development plans including information about required participation on public infrastructure that would be commissioned for all development and transformation areas where built-up context does not provide information what is a development potential of a given plot of land. More detailed regulation provides better information about land

<sup>9</sup> For instance lower level of detail either in case of very small municipalities in which development is sparse and funding for spatial planning low, or conversely in case of large municipalities, where detailed requirements could be more efficiently elaborated in individual development plans.



potential and therefore decreases projects' risk. It was mentioned the public discussion about the land-use and its form should be done during preparing detailed development plan and the latter building permitting process should be focused solely on technical aspects of proposed building.

The attitude of municipalities could be mixed as they would be required to commission second set of more detailed documents. However, this opposition might be mitigated by reduction of obligatory content of spatial plans as dealing with more complex issues, especially in areas expecting new development, would be forwarded to the level of development plans. Negative attitude towards obligatory commission of detailed development plans could be also alleviated by elective binding content of the development plan and less strict requirements of its acceptance by affected landowners.

Residents might have ambiguous, rather negative, attitude on proposed two-level planning system. On one hand, smaller scale of development plan might allow for better targeted public participation and better opportunities to involve requirements of locals, the abstract nature of the development plan setting rules for future construction will have higher technical demands on participants. As all the decisions regarding setting capacities and form of the development should be done in this stage with generally no further public participation in the building permit process, residents might see this as weakening their position.

While two-level municipal planning seems to be widely accepted by all planning experts, planning conservatives are rather reluctant to change the nature of current spatial plan into a framework document that would not be obligatory for decision making in zoning permitting processes. Conversely planning reformists are likely to welcome the proposed shift of the nature of spatial plan.

## Communication principles

Stakeholders	Municipalities
<b>Types</b>	Guidelines regarding new two-level municipal planning system, involvement into preparation detailed regulation about requirements for spatial plans and development plans.
<b>Content</b>	Municipalities should be assured the aim of the reform is not to increase volume of planning, its length and costs. The proposed reform should move problems to the level where they will be easier to handle – to the development plans. Although these plans will constitute mostly new planning agenda, they will be provided with sufficient flexibility to regulate to an extent that could be agreed on during negotiations with affected stakeholders. To offset requirements for detailed planning, requirements on spatial plans will be relaxed. Representatives of municipalities should be involved into preparation of implementing regulation regarding requirements for spatial and development plans. Following proposal of this detailed regulation, guidelines describing new system and its adoption should be prepared and disseminated among municipalities.
<b>Phasing</b>	General information about the design of new system should be provided from the beginning of the project. During second phase detailed regulation regarding requirements on spatial and development plans should be prepared and based on it guidelines for municipalities should be prepared.

### 4.7. Deviations from the upper planning documentation

The proposal assumes potential deviations where they are necessary from the upper-level documentations should be possible and would be approved by authority issuing respective upper-level documentation.

There is no clear consensus among stakeholders whether or to what extent deviations from the upper spatial planning documentation should be allowed. It seems state administration and planning conservatives rather disagree with allowing deviations from existing planning documentation while planning reformists and municipalities are in favour of such option. However, in this case the distinction is not that clear as opinions differ within stakeholders' groups. The opponents of deviations suggest the upper planning documentation should undergo standard process of change if more



detailed documentation shows alternative solution non-compliant with a plan can provide better outcomes. Stakeholders favouring opportunity to grant approvals argue such option would make processes simpler and shorter.

## Communication principles

<b>Stakeholders</b>	<b>State authorities on local and regional level, planning conservatives</b>
<b>Types</b>	Consultations.
<b>Content</b>	In this case reasoning for allowing deviations from upper-level documentation should be provided. The main reason is to simplify the process when more detailed documentation proposes solution that does not completely complies with the above-level documentation, but that has overall better outcomes. This in principle extends the rule that "planning detail should be appropriate to the scale of documentation" and the authority issuing upper-level documentation would decide, whether proposed solution not complying with the documentation could be granted exception as it fulfils objectives of the upper-level documentation. As the approval would be provided by the authority issuing upper-level documentation misuse of the opportunity to allow deviations is unlikely.
<b>Phasing</b>	This could be communicated from the beginning of the reform project.

## 4.8. Fiscal autonomy and inclusion of economic tools

The reform proposal emphasizes the need for higher fiscal autonomy of self-governing units. This is proposed through several channels of tax sizes and redistribution adjustments. First, it is proposed to increase relative size of property tax (given the overall tax burden would not change) that is currently among the lowest in the OECD countries. This tax is fully income of the municipality where taxed property is located. Secondly, reform proposes mechanism that would let municipalities to gain some share from tax revenues from the new development. Although this should be further discussed, share of collection of the VAT from new construction should be redirected into the agglomeration budget. Finally, ability to charge differentiated fees for municipal services such as road and infrastructure fee and public amenities and transit fee should be granted so municipalities could disincentivise development in areas that are costly to maintain.

Opinion on establishment of economic tools varies significantly among stakeholders. Supportive are especially representatives of municipalities and majority of planning reformists. Many stakeholders seem to be either indifferent or they cannot express neither agreement nor disagreement as they are not familiar with economic tools in spatial planning or their possibility of implementing in the Czech context. Rather disagreement with inclusion of economic tools seems to prevail among planning conservatives who generally find current planning toolbox as sufficient, state administration on the local level and disagreement is expected to arise in the state administration on the national level that would have to implement these new tools into regulation within their competencies, such as tax code or municipal fees.

## Communication principles

<b>Stakeholders</b>	<b>State administration</b>
<b>Types</b>	Expert working groups with involved stakeholders
<b>Content</b>	To obtain support for the reform that will include higher fiscal autonomy and inclusion of economic tools the arguments for such change will have to be presented. The first phase of the project should deliver analysis how current system of spatial planning affects development outcomes and what might be achieved if reform is implemented. Results should be presented for instance in monetary value to make them comparable either with impact of other policies, or with expected direct and indirect costs of reform implementation.
<b>Phasing</b>	The agreement for implementation of economic tools and increase of fiscal autonomy must be obtained before the end of phase one of the reform project.

<b>Stakeholders</b>	<b>Municipalities</b>
<b>Types</b>	Guidelines for implementation of economic tools in planning and key aspects of fiscal autonomy



<b>Content</b>	Municipalities, especially smaller ones with limited institutional capacity, might have concerns about adoption of new tools and employing new competencies. Easily applicable guidelines should therefore be disseminated among municipalities to let them prepare in advance for the coming reform.
<b>Phasing</b>	The guidelines should be prepared during second phase of the reform project and distributed among municipalities at the end of the phase and feedback to the guidelines could be used to finalize reform in the third phase.

## 4.9. Compensation mechanisms for land value changes

The reform proposes several compensating mechanisms that should offset changes of property values that are caused by the spatial planning documentation. These compensations contain both compensations for decreased property values, for instance by designing some nuisance next to existing properties, and compensations for increase of property value by changing undeveloped land to developable or by increasing land-use intensity of developable land.

Compensation mechanisms might be seen controversial by multiple stakeholders for several reasons. Compensations paid for increased value of land will be in particular unacceptable for speculative land investors who derive their profit from increased land value via changes to the planning documentation as this opportunity to privately profit from the change to the spatial planning documentation would be largely eliminated. For similar reasons land owners are also expected to be disappointed by this particular part of the reform. Also an appropriate timing when compensations for increased property value would be due must be considered as property owners not willing to sell their property might not be able to pay the compensation and therefore would oppose this tool.

The compensation mechanisms provided by the public sector to negatively affected property owners are likely to be opposed by planning bodies responsible for planning of publicly provided and operated nuisances such as major transport infrastructure or alternatively landfills and similar facilities<sup>10</sup>. Besides planning authorities that might raise objections they would not have sufficient funding to compensate property owners for losses, negative attitude might be also shared among residents and NGOs who might claim this system to be “institutionalized bribery” that aims on stopping criticism of planned controversial projects. However, it is exactly the aim of this policy to make controversial projects (controversial as they bring some gains and some losses) uncontroversial by offsetting negative effects of such projects by equivalent financial compensation. Still some might argue perceived values cannot be monetized.

### Communication principles

<b>Stakeholders</b>	<b>Municipalities, State authorities on local and regional level, National agencies</b>
<b>Types</b>	Consultations and cooperation on preparation of detailed regulation defining cases when compensation should be provided and setting its size.
<b>Content</b>	It seems the biggest concern will arise about the necessity to pay compensations for decreasing values of real estate property. From the constitutional point of view, this should be done anyways because if some collective planning decision disproportionately affects only limited number of owners’ property rights, these owners should get just compensation. From more practical point of view, national regulation defining rules for compensations should be made to make planning more predictable and less technically demanding.
<b>Phasing</b>	The preparation of detailed regulation should take place during the second phase of the project.

<b>Stakeholders</b>	<b>Land owners, home owners</b>
<b>Types</b>	Regular information.

<sup>10</sup> If these are provided privately the compensation of affected property could be included as a condition of approving project. Such mechanism would ensure the nuisances would be located in place where they cause less harm.



<b>Content</b>	Individual land owners and home owners might fear increases of the value of their property as they would be required to pay compensation fee. It should be communicated that these fees would be due either in case of property sale or in case building permit exploiting newly proposed land use is issued. This would protect land owners who are not willing to utilize higher potential of their land when new spatial planning documentation is approved. Also it should be communicated the main reason for this tool is to prevent land use speculation based on spatial plans' changes that are highly unpredictable and could rather cause value depreciation in their proximity. Therefore this mechanism helps to protect individuals' private property.
<b>Phasing</b>	Informing should begin at the beginning of the project.

#### 4.10. Time and content focused judicial review

The proposal assumes there should be time limit of one year to review spatial plan after its adoption. Later on the review would not be possible not even in case of the abovementioned incidental review of spatial planning documentation. The proposal also assumes the review should take into account the material aspect of the spatial planning documentation rather than to procedural aspects. Along with the proposal of compensation plans, there is also included an option of the review of compensating scheme in case of violation of ones rights by spatial planning documentation.

almost of the stakeholders see the incidental review as a severe problem in the current system of spatial planning and emphasize the lack of stability of the planning documentation caused by this review practice. However, it was repeatedly mentioned the administrative courts are not willing to abandon this concept of review and it is highly likely they will disagree with the proposed part of the reform.

The support for considering materiality and potential compensations is not that clear. Majority of stakeholders agree the decisions of the administrative courts are too much based on the formal aspects of the spatial planning documentation without taking into account its reasons and objectives and therefore they call for prioritization of material nature of the dispute to its formal aspects during the review. However, some stakeholders uphold current formal form of the judicial review.

#### Communication principles

<b>Stakeholders</b>	<b>Administrative courts</b>
<b>Types</b>	Expert meetings and working groups.
<b>Content</b>	Most of other stakeholders, besides the Administrative courts, agree the incidental review should be abolished and majority of stakeholders agree the court review should be less formal. It seems there is a necessity to convince the administrative courts these two issues are crucial for reaching objectives of the spatial planning system. Arguments supporting these two issues should be developed and discussed with the representatives of the administrative courts.
<b>Phasing</b>	These issues should be settled before the end of the first phase.



## 5. Reform management and milestones

This part presents proposed structure of the project management of the reform preparation, implementation and evaluation and also key phases and milestones of the reform project.

### 5.1. Project management structure

The analysis of the current state of spatial planning in the Czech Republic and the proposed reform has identified the need of wide support and coordination of the reform across individual ministries. With these requirements formalized project management structure seems to be appropriate response to this challenge to successfully prepare and implement the reform. This document outlines main principles of the project management structure, but if required the proposed project management structure could be adjusted to be aligned with either existing standardized project management frameworks or project management methods used by the Ministry of Regional Development.

#### Steering committee

The role of the Steering committee is to supervise the process of reform preparation, in particular approve tasks and goals of the whole project and individual phases, approve timeline of the whole project and plans for individual phases, approve project preparation budget and approve allocation of internal employees of state administration in the project or its phases.

The Steering Committee should be based at the Office of Government and should report directly to the Prime Minister.

The decisive actor in the Steering committee is Minister of Regional Development who is responsible for the success delivery of the project and who has the right to task Project manager, however other members of the Steering Committee should inform Minister of regional development about concerns regarding the project progress and outcomes to mitigate potential clashes.

Steering committee should regularly meet at the end of each project phase to approve finished deliveries and their compliance with project plan and should approve plan for the following phase. However, interim meetings are also expected on actual need basis.

#### Project manager

Project manager is directly tasked by the Steering committee. He or she is responsible for preparation of the project management documents, management of the project progress and reporting to the Steering committee. The essential requirement is that Project manager has enough own capacity to manage the project and also competencies to task individuals who are allocated to work on the project.

#### Executive team

The executive team of this project should be based on the Ministry of Regional Development and should consist of Project administration support that should help Project manager with everyday agenda of the project management, Expert leader who would be responsible for the technical part of the reform and internal experts who would work together with Expert leader on the outcomes of the project.

#### Stakeholders' board

As the reform affects wide variety of stakeholders, formalized Stakeholders' board should be established. The selection of stakeholders who should be represented in this board might follow typology proposed in this document. The Stakeholders' board should be involved in the reform preparation as a consulting body that would provide feedback on intermediate and final outputs of the project.





## House of Representatives supervision

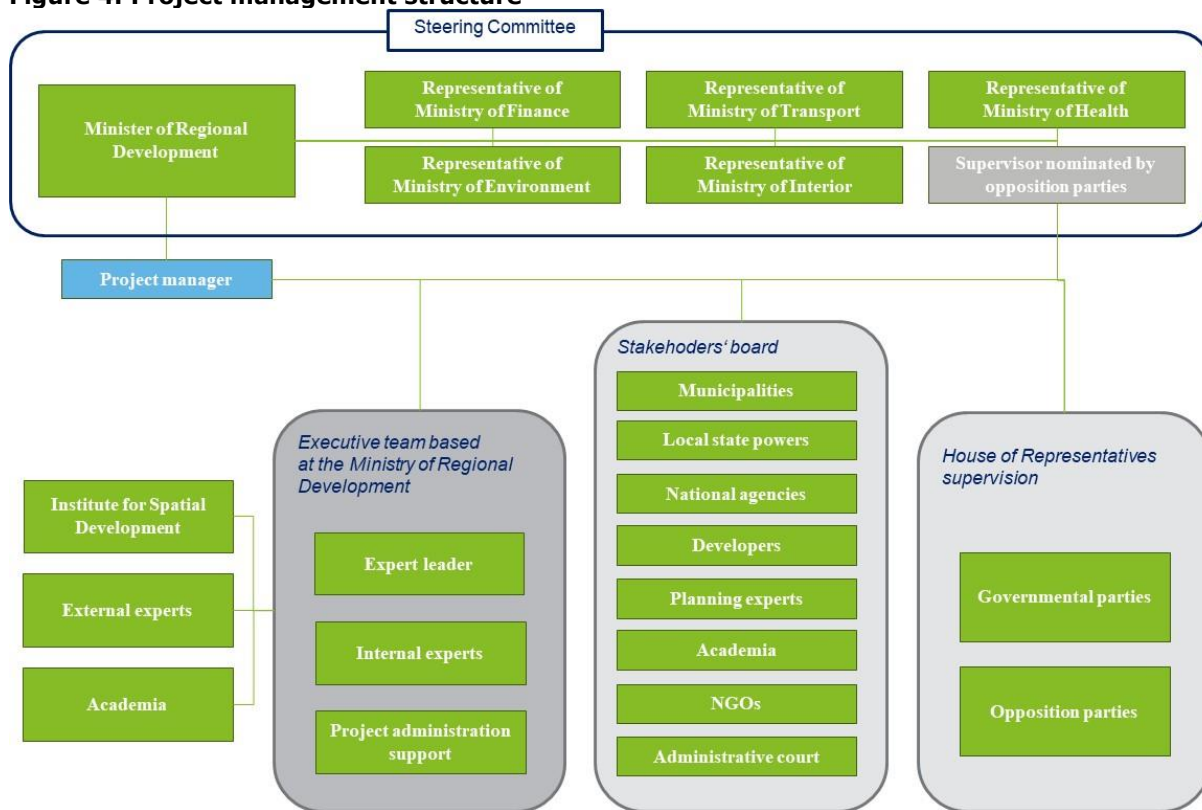
Elected representatives should be involved similarly as stakeholders into discussion about the reform. The involvement of representative of political parties, both those governing and those in opposition, is crucial for the reform that spans across multiple ministries and that's implementation is likely to span over multiple political cycles. On top of that to provide sufficient control of the project Opposition parties should nominate their representative into the Steering Committee.

## Other involved parties

Among other parties involved in the project of reform of spatial planning system should be Institute for Spatial Development that should deliver specific expert inputs or applied research or should cooperate with external experts and research institution.

Involvement of External experts is an option if specific expertise will be needed of internal expert capacities would not be sufficient in any part of the project. Involvement of Academia is expected for instance in case of rigorous evaluation of existing policies.

**Figure 4: Project management structure**



## 5.2. Reform preparation phasing

We propose to divide the spatial planning reform project into 5 main phases, 3 at the beginning focused on the proposal of the reform, fourth on its implementation and fifth on evaluation and updates. We consider as beneficial to keep project management structure over all of these five phases although some roles, for instance in the Steering Committee might change as a result of a political cycle.

## Definition of the reform's goals

The objective of the first phase is to define goals of the spatial planning reform and build agreement on them among stakeholders and representatives of political parties. This project provides very good



analytical inputs as well as reform proposal. The first phase should be therefore focused on discussion of this proposal with variety of stakeholders and especially other representatives of public administration on the national level. It has turned out insufficient agreement among other ministries with the proposed reform might undermine successful implementation of the reform.

To discuss reform objectives the Board of experts should be established. This board including experts and stakeholders in spatial planning, law, public administration, economics, development, public health, environment protection and heritage protection together with representatives of affected ministries and self-governing units and non-governmental organizations should critically assess which objectives of spatial planning are currently not met, what are the reason of failure of meeting these objectives and whether it is caused by inference of other regulation or by lack of mutual coordination. The board of experts should also recommend Steering Committee who should be appointed as the Expert leader who would be willing to steer elaboration of the reform in terms of its expert part. Such individual should be distinguished expert in the field of spatial planning, respected by planning reformists, planning conservatives and other involved stakeholders.

Based on perception of the proposed reform by stakeholders additional supportive analyses might have been done, especially if there is disagreement what benefits reform could bring and at what costs, either direct and indirect costs of the reform itself, or be relieving other regulation. For these purposes social cost-benefit analysis seems to be best suitable and should help to judge between opposing sides. The task for such analysis should be prepared by the Expert leader together with project manager and the analysis itself should be conducted by some impartial actor, for instance academic body. The elaborated cost benefit analysis should be also used as an underlying document for preparation of information materials that should be disseminated among wider range of stakeholders.

The phase should be concluded with agreed proposition of the planning reform that will be detailed in the subsequent phase.

## **Preparation of regulation and detailed implementing documentation**

The second phase should focus on design of the detailed regulation such as decrees issued by individual ministries. It has turned out many of the problems of the system of spatial planning cannot be solved by the change of Building Act alone, but must be coordinated with update of detailed implementing regulation. Also it has turned out some stakeholders have sensible concerns regarding some proposals in the spatial planning reform without having option to comment on how these changes will be implemented in the detailed regulation. For this reason the detailed regulation should be drafted in the second phase and when appropriate alternative propositions could be included. In this phase other ministries would have to participate to a larger extent as some regulation falls within their competencies.

Drafts of the detailed regulation would be regularly assessed by the Board of stakeholders to receive immediate feedback regarding the acceptance of the proposal. The Expert leader would be responsible for controlling of the compliance of the detailed regulation with the overall goals of the reform.

The agreed parts of the detailed regulation would be used as underlying documents for preparation of the draft guidelines targeted on stakeholders who will be involved in the reformed spatial planning processes. These draft guidelines would be disseminated among these stakeholders and their feedback would be used to finalize the reform and the guidelines.

The result of the second phase should be proposed reform of the system of the spatial planning accompanied by detailed implementation documentation. At this stage parts of the prepared reform still could contain alternative options. The phase should be concluded in a moment when reasonable consensus over the reform is reached.



## **Compilation of the resulting reform**

In the third stage final version of the reform should be chosen among possible alternatives designed in the second stage. The selection of the final option should be discussed with stakeholders in the Stakeholders' board as well as with the elected representatives. The feedback submitted by actors affected by the reform should be also taken into account. If unresolvable clashes over some aspects of the reform appear between stakeholders Expert leader with Project manager might decide to commission special analysis that should tackle such problem. It social cost-benefit analysis elaborate by impartial body seems to best address this need. This analysis should be used as a support for the decision about the final reform proposal.

In this phase indicators that will be used for the measurement of the reform success should be constructed and past data for these indicators collected. Also final guidelines for the actors involved in the spatial planning processes should be prepared so they could be disseminated after the reform is approved by the government, chambers of parliament and president.

At the end of this phase reform should be finished and ready to be submitted to the government to be approved and passed to the parliament.

## **Reform Implementation**

The reform should enter into force no less than 12 months from its approval to let all the actors involved the spatial planning processes get used to the new requirements. At the time when reform is approved all necessary guidelines should be already available.

The main objective of this phase should be provision of guidelines or methodological support on the actual need basis. Also if it turns out amendments to the reform might be adopted.

## **Evaluation and updates**

It is assumed the evaluation should be done at least five years after the reform implementation. The objective would to collect data to construct previously defined indicators and evaluate the change brought by the reform and compare it with previously estimated effect. Based on the evaluation amendments to the reform could be proposed if some particular area seems to be underperforming.

The evaluation should be summarized in a report. When report is accepted by the Steering committee the project could be formally ended.



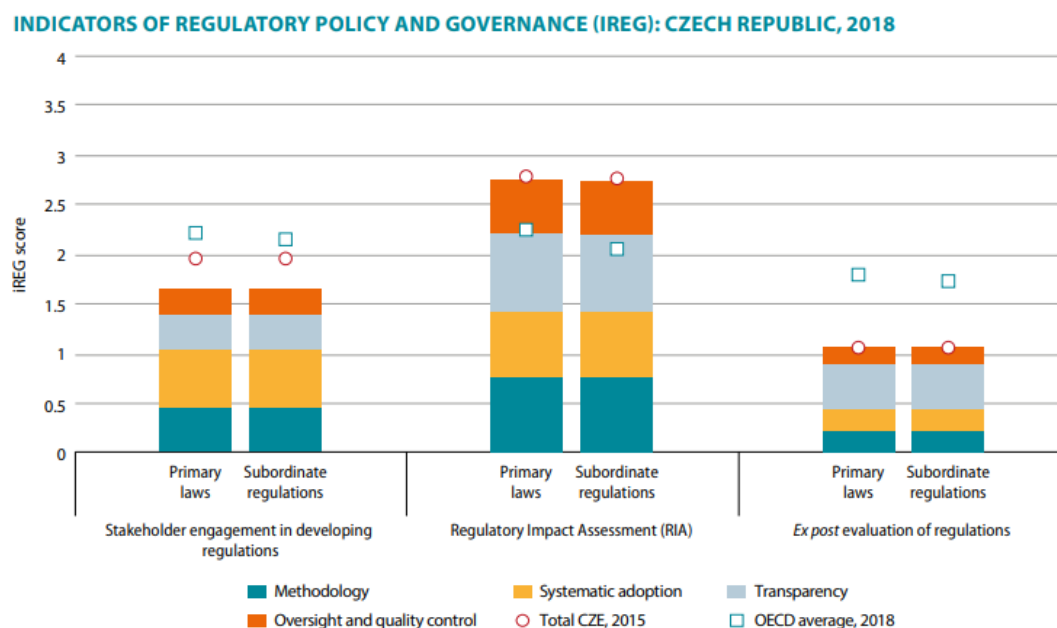
## 6. Reform participatory framework

The participation on the laws and subordinate regulations in the Czech Republic is underperforming when compared to the OECD countries averages and has decreased in the period from 2015 and 2018 (OECD, 2018b). As spatial planning is a tool of consensus-building about the balance between various interests represented by levels of governments and individual private interests, we consider participation on reform of this system as crucial. First to make reform that makes most of stakeholders satisfied and secondly to make it stable as stability is an important feature of spatial planning.

The elaboration of this project was highly inclusive in terms of types and number of participating stakeholders. Forty distinct stakeholders often represented by multiple individuals have participated in the initial interviews that's results were used in the Analytical part of this project. Later on 2 stakeholders meetings took place to discuss the analysis and then reform proposal.

We recommend to build on the established stakeholders' network in this project and invite participating stakeholders into the Stakeholders' board of the proposed Reform project. Major contribution of invited stakeholders is expected in the first three phases when reform objectives are detailed, reform details are designed and final form of reform is completed. It is assumed stakeholders' meetings during these three preparatory phases could be organized on the quarterly basis with additional consultation when needed.

**Figure 5: Indicators of regulatory policy and governance (OECD, 2018b)**



Note: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its IREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (59% of all primary laws in the Czech Republic).

Source: OECD Indicators of Regulatory Policy and Governance (IREG) 2018, <http://oe.cd/ireg>.



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