

**BARKER REVIEW
OF
LAND USE PLANNING**

CALL FOR EVIDENCE

SUBMITTED BY CgMs Ltd

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1. Introduction

- 1.1 CgMs is a largest independent planning consultancy firm in London with 26 professional planning consultants with a wide client base from both the private and public sectors. We also have an office in Cheltenham and between the two office we provide comprehensive planning consultancy advice throughout England. As such we are suitably qualified to make representations in relation to this call for evidence document.
- 1.2 As a general theme, we consider that the planning system is not responsive to the economic needs of the developer because the very essence of planning is to protect the environment and the community by action of private individuals who often submit applications for development because there is an economic gain to them. Therefore economic considerations are often given little, if any weight, in the determination of planning applications compared to the environmental and social impacts of the proposed development.
- 1.3 Representations in relation to this review do not detail each and every problem faced by our clients when they encounter the planning system. However, what is clear is that our clients usually consider that the planning system gives them unnecessary and costly delays, even where it is evident that their proposal accords with the planning objectives of creating sustainable development. This can mean that acceptable development, which contributes to the economic health of the UK, does take longer to come forward.
- 1.4 We accept that with the range of issues involved in the determination of any application are such that there will always be negotiation to seek to resolve potential conflict and problems; indeed our role as consultants is to represent our clients in steering their developments through the planning system and, as part of this process, we often recommend to our clients that amendments should be considered on a case by case basis.
- 1.5 However as a basic context to our work and the approach to the consideration of any development proposal, we do have a very clear concern that economic matters are not given sufficient weight as a material planning consideration.
- 1.6 We are not seeking to suggest that environmental matters should be ignored, merely that there should be a more realistic balance struck between the need to protect the environment and encourage economic prosperity. The two are not necessarily incompatible: good planning can bridge any perceived gap.
- 1.7 As such our representations are very much framed in the context of the clearly stated position as presented on page 2 of the call for evidence document which confirms that *"it is not the aim of the review to promote economic considerations above social or environmental considerations"*.
- 1.8 We therefore explore this theme in the context of the specific points raised in the call for evidence document.

2. Our response to questions to Annex 1

Is the planning system sufficiently flexible and/or responsive to the right signals to deliver the right development in the right place, given the changing economic circumstances due to globalisation, demographic change, natural resource pressures and environmental change? If not, what policy measures might help deliver this flexibility?

- 2.1 The following points are made before answering this question:
- 2.2 Globalisation is resulting in different national economies having to compete with each other for global business and this in turn means that a competitive advantage has to be established to sell goods and services profitably.
- 2.3 As a result of globalisation, the UK economy has had to specialise into the service sector and recognise the fact that in most circumstances it is not able to compete in the global economy in the production of manufactured goods due to our higher production costs.
- 2.4 UK business therefore needs to have the following to be able to compete in world wide markets:
 1. Good access to a highly skilled workforce
 2. Good access to their worldwide business activities
 3. Good choice of land and premises in which to undertake these global activities
- 2.5 The planning system, through its sustainable development agenda, is often not compatible with these global requirements because there is a presumption against economic development which:
 1. Is out of the town centre.
 2. Requires the development of greenfield sites
 3. Has to be accessed by the private car
 4. Takes industrial land
 5. Needs to preserve buildings which no longer have any economic use
 6. Affects residential amenity
- 2.6 These requirements are often needed by business to be able to succeed – however planning policy from national planning policy guidance to the emerging Local Development Plan Documents is not sufficiently flexible to recognise these global needs are legitimate material planning considerations.

Recommendation

- 2.7 Government needs to update and replace PPG4 and update PPS 1 with a new planning policy statement highlighting the needs of ensuring that the planning system needs to complement and assist the need for wealth creation and these are key material planning considerations.
- 2.8 A change in policy emphasis is therefore needed to ensure that policy is more flexible at the local level.

Do you have any views on the scope of plans at the different spatial levels in England which are now emerging following the introduction of the new system in 2004? Are there further improvements to the plan-making process at the different spatial levels in England, particularly regarding the need to encourage a positive/proactive approach to planning, which was a key theme of the new plan-making system? Does the current system strike the right balance between central direction and regional and local discretion?

2.9 We accept the need for clarity as to whether development will obtain planning permission and that the most appropriate means is to do this is through the policies of the development plan.

2.10 However, there are now far too many plans and they are too complex. Specific criticisms are as follows:

Role of central Government

2.11 We consider that there is a role for Central Government to intervene in the plan making process at the moment given that the system is new and local Planning Authorities do need guidance. However, this level of interference should diminish as soon as practicable.

Regional Plans

2.12 Are prepared by unelected bodies and are not democratically accountable. Nevertheless they are key and set the scene for which LDF's are prepared.

2.13 In our experience these plans give scant regard to the individual region's economic needs and are far too pre occupied with ensuring that the plans policies conform to a "sustainability agenda"

Local Development Frameworks

2.14 It is our view that the system is entirely confusing with the plethora of "core strategies", site specific and other local development documents. The process and the number and type of documents also varies considerably from Local Planning Authority to Local Planning Authority.

2.15 This complex system is not at all understood by business. Indeed, they are not at all aware of the implications the plans policies will have on their future business activities.

2.16 As a result the plans focus on sustainable agendas within a vacuum of economic realities.

Recommendations

2.17 We recognise that the new system needs to time to settle in. However, we consider the need to undertake sustainability appraisals of all plans and policies is too onerous and needs to be somehow speeded up.

2.18 There needs to be greater engagement of the whole plan making process by business and to date this has not been the case.

- 2.19 Local Authorities also needs to have more officer time to take the LDF process forward or sub contract out to consultants more parts of the LDF process.
- 2.20 There also needs to be a much more clear cut and consistent system between Local Planning authorities as to how they are to prepare their Local Development Framework and what Local Development Plan Documents are to be prepared.

Sustainable development is the core principle underpinning planning. Does the current system achieve the right balance between economic and other goals, such as the regeneration of areas and the promotion of social cohesion, improving the quality of design of buildings and urban environments, and the protection and enhancement of our natural and historic environment? Are some environmental, natural resource, or social considerations given too much or too little weight?

- 2.21 We understand why the planning system has the objective of creating sustainable development and this is seen to be the core principal underpinning planning. However, we consider that the protection and enhancement of our natural and historic environment has to be set within the context of the need to create wealth.
- 2.22 As we have already highlighted, in light of globalisation of the UK economy not all economic development necessary for the generation of wealth will be sustainable development.
- 2.23 However, national planning policy advice is such that economic need is given little weight in the determination of planning applications – the emphasis is the presumption in favour of the protection and enhancement of the natural and historic environments and not the presumption in favour of development unless material considerations indicate otherwise.
- 2.24 In some cases, it is quite clear that new economic development is prohibited because of such activities conflict with the sustainable planning objectives as set out in national policy.
- 2.25 When economic matters are more properly explored then a sustainable solution which delivers economic growth can begin to be forthcoming. This is as opposed to the current position whereby in a number of circumstances the planning system is an impediment to economic growth.

What, if anything, could the English planning system learn from the planning and consent systems operated in other countries in order to respond to this new economic environment?

- 2.26 Planning systems in continental Europe tend to have the following features
1. A series of overlapping legally binding regional and sub regional and local plans highlighting the amount and type of development that can take place. These are prepared in light of a national spatial plan prepared by the Government.
 2. A detailed local zoning plan which specifies the uses and densities which are acceptable without the need for planning permission.

3. If alternative development is proposed then a permit is required to vary zoning ordinance of the legally binding plan for the alternative use.
 4. There is usually a sole point of contact – such as the mayor – who has ultimate responsibility.
- 2.27 In the USA, planning tends to just focus on detailed zones giving densities and uses that are permitted and similar approaches are adopted in Canada and Australia.
- 2.28 The advantages of these systems is that they are
1. Give certainty as to the zoning of land.
 2. Focus on design issues and not the principle of the development as this has already been established in the development plan.
- 2.29 However, these planning systems are due to differences in culture and government structure – for example, the strong role of central and elected regional governments in Germany and the many communes of the French model of local government represented by the mayor.
- 2.30 Whilst we recognise some of the advantages of these systems – for example legally binding plans which give totally certainty - there is little scope for negotiation and appeal.
- 2.31 We also consider that the UK planning system is more democratic and more flexible and able to accommodate changes associated with the global economy.
- 2.32 However, we do see merit in the stronger role of regional planning bodies in determining strategic planning applications – but only on the proviso that they are elected bodies – as they are for example in Germany.

What is the impact of planning on encouraging or impeding business investment? In this context, how would you assess the potential of recent reforms to the English planning system, which are now being implemented? Are they increasing the transparency of the system and providing greater certainty for businesses? What further reforms, if any, are desirable in order to improve the transparency and effectiveness of the system still further?

- 2.33 The current system does not respond appropriately to the needs of business. We highlight the following problems:
1. Business does not engage in the planning process until it has to – i.e. the submission of a planning application or it has found out that they are about to be Compulsory Purchase or there is an application that might adversely affect them – and even then they only find out because the Council wrote to them. Its not part of their business remit and most business do not even know which Local Authority they are in. They have little contact with the authority other than for refuse collection and road/parking issues.

2. This is in direct contrast to residential and local community and environmental groups who are far more engaged with the planning system and seek to ensure that either at the development plan stage or as objecting third parties their interests are represented.
 3. Business occupiers have little incentive to understand of the planning process because they it cannot think on such long time horizons.
 4. Occupational space and land requirements are made by landowners, developers and investors. Again, not all understand the planning process and many are implementing investment decisions without giving any thought to the planning process and the future supply of land of buildings. For example, pension funds and other institutions buy and sell properties on the basis of ensuring that they have adequate returns in the form of capital and rental growth to meet benchmark standard of investor performance. However, these decisions pay scant, if any regard to the future and hence the longer development plan process.
- 2.34 The recent reforms to the English planning system have made the situation worse. This is because the system is now very complex and taking a significant time to implement.
- 2.35 We consider that many business are totally unaware that because of the sustainable planning agenda their future business requirements might be prejudiced.
- 2.36 There are problems in terms of the piecemeal approach to being able to make representations; for example a number of authorities are not presenting any realistic opportunity for Green Belt or countryside releases to be considered for a number of years. If there is no opportunity for land to be made available then investment and development will suffer. We are not calling for a carte blanche release of existing land outside of established settlement limits, merely for a realistic opportunity in the short term for the matter to be considered in the context of an informed position as to the economic implications of development coming forward.
- 2.37 We therefore reiterate that some specific policy is required which can then filter through the existing system in order to deliver the desired results.

Is the planning system sufficiently “joined-up” with other related aspects of government policy? In particular, are Regional Economic Strategies delivering a clear economic framework to help inform Regional Spatial Strategies? Is there sufficient interaction between RDAs and RSSs when preparing their respective regional strategies and if not how might greater interaction be encouraged?

- 2.38 We are not convinced that there is such a joined up approach and if there is its not undertaken in a democratic process. In short, economic strategies are not filtering through the system in the manner that they should because the regional strategies are too focussed in delivering sustainable development at the expense of economic needs.

- 2.39 A look at most development plans across England highlights the lack of weight that is attributed to economic matters. The more informed the economic matters are, the greater the likelihood that they will influence land allocations at local level. This is currently a significant shortcoming in respect of the current system.

Planning applications for major projects will typically take a considerable time to work through all the necessary stages. Do you consider the system puts too much emphasis on speed or do you feel that is too slow? If there is an undue emphasis on speed, what are the negative consequences of this and how could they best be avoided? If the process is too slow, what could be done to overcome delays? In particular, what improvements might be made to the planning appeal system to improve its speed and efficiency?

- 2.40 In this regard we wish to refer to the Audits commission report entitled "*The planning system – matching expectations and capacity*" of February 2006.
- 2.41 The report highlights that Local Planning Authorities are ill equipped to determine major planning applications within the 13 week time period. However, minor applications should be determined within 8 weeks as these decisions have more individual impact. We agree with this approach.
- 2.42 We consider agree with this approach and consider that for major applications it is the quality of the decision and not how long the decision takes to be made.
- 2.43 Major applications take considerable time to prepare, submit and negotiate with the Local Planning Authority and interested third parties and it is unrealistic that "one size fits all" for the determination of all major applications. The package of documents now required as part of a major planning application is very extensive. This is now a very costly process for a developer or a company making an application for its own new development. There is sometimes scant regard to all these documents by some Local Planning Authorities and their planning staff and Local Authorities are often ill-equipped to assess the detailed work contained in these documents.
- 2.44 The 13 week target should be abolished and be replaced with agreements between the applicant and the Local planning Authority as to what information is needed to support the planning applications and agree timetable for the submission of this information and the subsequent determination of the application.
- 2.45 Local planning authorities are rewarded financially in terms of the number of applications which are determined within the prescribed period. This pays no regard to the quality of the decision made, indeed a simple refusal is a more efficient way of dealing with a planning application as far as time scales are concerned.
- 2.46 There needs to be a more refined analysis and assessment of the manner in which planning applications are determined. Economic factors and impacts can be a component of the overall assessment process. This clearly calls for a more involved system but the rewards of this working properly will clearly be significant.

- 2.47 In addition, the monies paid to 'successful' authorities should be ring fenced for planning services as opposed to going into a much wider authority pot. This is then likely to result in a spiral of success for authorities which can demonstrate a record in dealing positively with such applications and presenting tangible economic benefits.
- 2.48 In relation to improving the appeal system we consider that the Inspectorate needs to pay Inspectors more so as to attract higher calibre staff to evaluate complex planning cases and that it also needs to remove the backlog of cases at informal hearings.

Is there evidence to suggest that the direct costs of making a planning application are deterring investment? Are there any unnecessary burdens/how might information requirements be streamlined to reduce the regulatory burden from the process of making an application?

- 2.49 Submission of a major application is a very costly exercise. However, as part of the overall development costs, the cost of submitting and negotiating an application are unlikely to deter applicants where acceptable levels of profit can be achieved.
- 2.50 Nevertheless, what applicants do expect is good service delivery and at the moment many feel this is not the case because of the lack of experienced planning staff to determine major applications as highlighted by the Audit Commission.
- 2.51 In terms of burdens one area of concern is the need to prepare a plethora of supporting information to the application.
- 2.52 However, we consider that there are occasions where this information is either not needed or is duplicated. For example, where the development is in accordance with the development plan's site allocation which has been subject to a sustainability appraisal, there should be no need for the applicants to then have to submit their full environment impact assessment or sustainability appraisal. See also comments above.
- 2.53 For major applications, Local Planning Authorities should inform applicants what supporting information they require and there needs to be an agreed deadline for the submission of this information and timetable for the negotiation of the supporting material and the date for the determination of the application.

To what extent are high occupation costs in England likely to be due to planning constraints, or due to other factors such as imperfect competition or lack of transparency in the land market? What is the economic impact of these costs in terms of the main drivers of productivity?

- 2.54 Occupation costs are inevitably the result of the interaction between demand and supply of land and buildings.

- 2.55 The planning system does affect the supply of new space; however the majority of floorspace is already built and occupational costs will be a function of
1. The availability of office space and stock.
 2. The remaining length of the term of the lease.
 3. Whether the supply of space is released on the market
 4. The performance of the office property market
 5. Cyclical business space requirements
- 2.56 It is therefore our opinion that business space costs are not unduly affected by the planning system in large cities or urban areas.
- 2.57 However, occupational costs will be increased due to planning constraints where there is high demand and yet there is a finite building stock and where the town centres are environmentally constrained and the town is surrounded by green belt of other environmental controls.
- 2.58 Examples that come to mind are Thames Valley towns such as Windsor and Staines. However, these are exceptions to the rule.
- 2.59 Future examples though of where planning controls could increase occupational costs is the growing policy presumption to ensure that office developments take place in town centres and not in out of town business parks. In such circumstances, on the assumption that few new office and business parks are developed in environmentally constrained areas – such as the Thames Valley – then occupational costs could rise as a direct result of the planning system. These costs could be considerable in the longer term because if major business occupiers cannot obtain the space that they require at a competitive price they may seek to locate outside England.

How does the planning system impact on competition, through influencing barriers to entry and exit and economies of scale? If there are areas where there is a negative impact, how can these be addressed, while protecting other goals of the planning system?

- 2.60 The planning system can act as barrier to entry where policies prohibit what the markets wants.
- 2.61 Examples include the policy presumption against out of town business parks and retail parks because such developments are not normally seen as being sustainable development.
- 2.62 We are also seeing planning seeking to restrict certain retail occupiers in the high street because such occupiers are seen to undermine independent retailers and local service providers.
- 2.63 Planning is also closely linked to the adequate provision of infrastructure and there are well known examples or where poor public transport services and road congestion has acted a barrier.
- 2.64 These can be migrated by having policies which accept that in certain circumstances although the development might, in part, be environmentally unsustainable, it is in the region's or local area's economic interests that such development take place.

To what extent does the planning system effectively support innovation through fostering the formation of business clusters and wider agglomeration of economic activity?

- 2.65 We consider that despite the rhetoric, the planning system has done little, if any thing, to support innovation and business clusters. On the contrary the planning system is pre- occupied with the delivery of housing and affordable housing in a sustainable manner – the wealth creation aspect of the economy is largely ignored and little understood by planning authorities.
- 2.66 This is especially those which do not want to see new development because they consider that their local economies are already over heated and they need to protect residential amenity and the surrounding countryside as a policy priority.
- 2.67 The only notable exceptions to this rule are the regeneration agencies and development corporations – however even here these initiatives are not always supported through the planning system.

Do planning authorities have the skills and resources required to help promote sustainable economic development? If not, what is the best way to ensure that resources match the challenges the system faces? Are there ways to increase further efficiency of process?

- 2.68 We regret to say that we do not consider this to be the case and indeed this has been highlighted by the Audit Commission report.
- 2.69 We consider that the best way to address this issue is to sub contract out, where appropriate, to the private sector. This would release officer time and enable councils' to focus on either more strategic issues or process householder applications.
- 2.70 There is often an issue in terms of the skills and resources of local planning authorities especially as the system gets more complex. Other than provide more resources, a much clearer policy context, as requested throughout these representations, will facilitate planning decisions.
- 2.71 We also note that developers of larger schemes would have no problems in financing a dedicated officer post in order to determine the application as efficiently as possible. We are aware of this approach having been undertaken in the past. It does not pre-determine a decision, merely provides the comfort to the developer that the issues will be considered properly and efficiently. We have been involved in schemes that have gone to appeal due to the local planning authority not having focused on the proposal at application stage: this is a far more costly approach for both sides of the fence.

Are the new arrangements for stakeholder engagement in the plan-making process succeeding in engaging those representing economic interests, including SMEs? If not, what are the barriers to that engagement and how might they be addressed?

- 2.72 As previously stated we consider that business stakeholder involvement in the planning process is extremely poor. This is in direct contrast to householder interests and local community groups.

2.73 Ways to encourage greater participation are:

1. CBI to inform members of what Local Planning Authorities are doing.
2. Local Authorities to appoint economic development officers to act as link between the business community and the Council – in effect like a town centre manger but with a wider remit.
3. Wider recognition by council officers and councillors of the importance of making links between key employers and the Council.

Are there ways that the incentive structure for decision-makers and local communities can be improved so that a balance is achieved between local interests and the interests of the wider community regarding proposals for economic development.

2.74 Major planning applications should also be referred to an economic development committee and members of that committee could also sit on the planning committee.

2.75 At present, it is our experience that councillors tend to only represent their electorate which is residents. Business though has no elected voice or influence within Councils in the determination of applications or the shaping of planning policy.

2.76 As noted there is potential to more fully consider the manner in which local planning authorities determine applications. The assessment should be based on more than just speed - which is a fallacy in any event. The assessment should also include a view as to the economic benefits of development upon the local community.

2.77 All interests will be considered through the planning application process although on a more 'balanced' basis as far as economic matters are concerned. The money awarded to successful authorities should be ring fenced to planning services to perpetuate and focus success.

Economic development can help achieve the regeneration and renaissance of urban and rural areas. Are there ways which planning could strengthen economic performance in regions, sub-regions (including city regions) and at the local level?

2.78 Planning can strengthen economic performance by:

1. National Government update PPG4 and an update of PPS 1 and replacing it with new national guidance re –iterating the need to provide for new economic development.
2. Regional Spatial strategies to clearly highlight areas of growth and economic development with projections of required employment levels, and sub regional floorspace targets to meet those levels.
3. Local Development Documents to clearly identify locations for major new economic development and to ensure that policies are flexible to encourage new economic activity.
4. Planning Authorities to work closer with the business community in the promotion and development of new economic activities.

5. Business to be consulted on major applications and ensuring that they are consultees and identified as such within statement of community involvement.

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