

Kate Barker  
Barker Review Team  
Room 4/E1  
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1 September 2006

Dear Kate

### **Barker Review of Land Use Planning**

Following your team's meeting with Simon Leask and myself last month I am enclosing a package of information as requested.

- Outline of the operation of ATLAS (Advisory Team for Large Applications)
- Details of ATLAS's work on Planning Delivery Agreements
- Details of the West Bedford Bypass and the Milton Keynes Tariff

As discussed we are currently pulling together case studies of projects where there the affordable housing provision is causing conflict with other S106 requirements. This forms part of the work ATLAS is undertaking for DCLG on cascade arrangements which is expected to be completed mid October. We will provide your team with a copy of this work once completed.

If you require any further information please let me know.

Yours sincerely



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## ADVISORY TEAM FOR LARGE APPLICATIONS (ATLAS)

### **Background**

The need for ATLAS arose from the Planning Green Paper and ODPM sponsored scoping work on Planning Advisory Service (PAS). The 2004 MORI survey of Chief Planning Officers, conducted by IDeA to inform the development of PAS found that development control, particularly help with dealing with large/complex applications, was considered a priority where Local Authorities needed additional help. This fits with PAS' objective to offer

*'direct support to individual Local Authorities to deliver key Government objectives such as large-scale housing developments or regeneration projects.'*

ATLAS was established within English Partnerships' as a pilot project for two years. ATLAS lies at the heart of English Partnerships' remit, enabling delivery of sustainable places for people to live, work and enjoy. ATLAS is hosted by English Partnerships' National Consultancy Unit (NCU), which provides a broad range of experience and expertise on virtually every issue relating to major development, including urban design, planning policy, transport planning, engineering, community consultation and project management.

### **Objectives**

ATLAS makes an important contribution to meeting the objectives of the Government's Sustainable Communities Plan, PSA 6 (improving Local Authority Planning Services) and also PSA 5 (achieving a better balance between housing availability and demand). Its primary role is the provision of an independent advisory service to Local Authorities experiencing the pressures of increased development activity. Its advice is focussed on the delivery of high quality sustainable development and speeding up the planning process in London and the South East, East of England and South West regions.

Key objectives of the pilot phase have been to:

- help unblock the issues holding up large applications;
- increase the knowledge and expertise within Local Authorities to handle large applications;
- help local planning authorities to develop better and more consistent interaction with key stakeholders and agencies;
- act as a partner to Local Authorities and independent reviewer of large applications and planning issues.
- advise public sector landowners on good practice approaches to securing large housing-focussed planning consents on their land; and
- ensure the lessons learnt from ATLAS's work contribute to general guidance to be disseminated more widely to local planning authorities and the wider development community by the PAS.

ATLAS works on cases of 500+ housing units that conform to development plan policy and have local and regional support. Cases must have a history of attempts to resolve issues and either ATLAS or the Local Authorities must have the power to influence any statutory obstacles to development.

### **Work to date**

Since the team became operational in 2004 ATLAS has been able to engage in a higher level of projects than had been originally anticipated and undertaken a diverse and large range of tasks. ATLAS has been fully engaged with 18 projects with the potential to unlock in the region of 30,000 dwellings. 10 of these projects are at pre application stage and 8 have been the subject of formal applications. Of those in the latter category three have been approved or obtained a resolution to approve, delivering 5,500 dwellings.

In January 2006 ATLAS, at the request of DCLG, published a report on Planning Delivery Agreements. This has been developed in conjunction with PAS into a pilot process to test and develop the ideas of the ATLAS paper. The initiative has generated considerable interest and a high level of participation. ATLAS will continue to work on this research project throughout 2006.

ATLAS, at the request of DCLG and the Housing Corporation, is providing input to PPS3 based on their experiences negotiating affordable housing through s106.

In addition to the above ATLAS has been developing a range of national, regional and local contacts in agencies and advisory bodies such as CABE, Highways Agency, Environment Agency, Housing Corporation and English Nature. ATLAS is also building up relationships with the private sector.

### **Future**

An independent evaluation of ATLAS received a positive response to its initial operation from local authorities, Government Offices, developers and other stakeholders. Subsequently DCLG has approved expansion of the team from 4 to around 12 staff and extended its operation until at least March 2008.

The specific objectives for ATLAS in its second phase are:

- to continue to facilitate and build capacity in local planning authorities to handle large housing-focussed proposals and applications in the wider South East; to secure that applications are dealt with efficiently and effectively, including at the pre-application stage; and to secure that schemes are thoroughly examined against the background of Government objectives on sustainable development;
- to work with public sector landowners to advise them on the process of brokering relationships with local planning authorities and to identify good practice approaches to securing large housing-focussed planning consents on public sector land.

ATLAS will also increase its research and dissemination activity, sharing lessons learnt with the wider planning and development community. The expanded team will produce a range of topic papers based on project experience and research covering specific aspects of the delivery of large-scale housing led sustainable development, to provide a comprehensive tool-kit for major applications.

## **Planning Delivery Agreements**

In January 2006, at the request of DCLG, following concerns from some stakeholders about the ability of the planning system to facilitate the efficient and effective handling of major applications, the Advisory Team for Large Applications (ATLAS) produced a report on planning delivery agreements (PDA's).

PDA's provide a consistent method for breaking down the barriers to the delivery of complex development projects. The PDA approach recommended by ATLAS is a process of conscious and collaborative decision-making and robust project management. In short, by following a managed process, applicants and local authorities have more certainty about outcome through 'agreeing' (in a PDA document) a shared, committed approach to the delivery of a specific project. The process and product of the PDA should:

- Make the planning application assessment and decision making process more efficient;
- Establish a stronger Project Management discipline in Local Authorities handling applications for very large schemes;
- Secure the commitment of time, resources and political will from the private and public sectors to major applications;
- Ensure Local Authorities assert appropriate levels of control and leadership over the planning application process;
- Give applicants greater certainty and confidence in the planning process; and
- Improve the quality of applications and decisions.

As recommended in the report, The Planning Advisory Service (PAS), working with the Advisory Team for Large Applications (ATLAS), is managing a pilot project to trial the use of PDA's as a management tool to aid the efficient handling of major applications.

The pilot project commenced in January 2006 and will run until the end of the year. A final report assessing the effectiveness of PDA's will be produced in January 2007. The pilot participants include 22 local authorities and their developer partners.

DCLG are currently debating the use of targets and incentives for PDA's and are likely to launch proposals along with new guidance on PS1/2 forms by April 2007 (this is confidential at the moment).

## **Milton Keynes Prospectus and West Bedford Bypass**

The **Milton Keynes Prospectus** presents a good example of an integrated approach where the planned growth is matched by an infrastructure plan, which sets out the complete infrastructure requirement, its costs and also when and where it is required to unlock development.

In Milton Keynes, a new local delivery vehicle, the Milton Keynes Partnership Committee (MKPC) has been given planning powers to help facilitate growth in a defined urban development area (UDA). It is estimated that the UDA expansion areas to the East and West of Milton Keynes, together with the Strategic Reserve Areas, are capable of being developed by 2016 and are expected to accommodate an estimated 15,000 new dwellings and 500,000 sq m of commercial floorspace.

In October 2004 the MKSM Interregional Board supported MKPC in preparing a 'Prospectus for Growth' to establish the levels of local and strategic infrastructure investment that would be required to promote growth, the level of developer contribution that could be achieved to meet local requirements and contribute towards strategic infrastructure, and the underlying assumptions regarding the actions and funding required from Government to meet any shortfall.

The Prospectus was developed by MKPC in consultation with MK Council, other key public sector agencies (including the Highways Agency and the local PCT) and Milton Keynes Forward (a land owner consortium). These partners worked together to identify the infrastructure needed to facilitate and support growth in the UDA, as well as the appropriate funding sources available, including local and central Government finance (where known) and the proportion of the overall cost that could be levied via S106 contributions from developers. The proposed approach was that developers' share of these costs would be in the form of a tariff to be collected as a charge per dwelling, or per hectare of employment development, as the development proceeds.

The outcome is a funding plan for Milton Keynes' future growth that includes all public-sector partners in immediate commitments and long-term plans for investment in the city and which is supported by the private sector as an effective means of using contributions they will make under section 106.

This approach builds on the traditional section 106 system to create a more strategic mechanism for estimating and negotiating contributions. It makes the contributions by developers and landowners more equitable and relevant to the proposed development. In exchange the private sector gets certainty, knowing when and how the schools, roads and doctors' surgeries are going to be provided.

The Milton Keynes prospectus runs up to 2016 and not only is a business plan setting out targets and spending objectives, but also contains legal cover, using section 106 and supplementary planning approval to tackle implementation, risk and accountability.

The underlying principle of this approach is that a fixed tariff will provide developers with the certainty they require regarding their development costs

whilst allowing MKPC to pool these contributions and use them to fund strategic highways improvements, transportation projects and strategic investment in health, educational and social facilities which could not be properly programmed and delivered on a piecemeal basis. The proposed mechanism is that English Partnerships will “gap fund” the cash-flow shortfall (within available budget limits) at the front end of the development programme to enable the planned development to proceed.

The level of the tariff contributions has been set at £18,500 index linked per housing unit with a further £33.46m to be contributed by employment land development. We anticipate that up until 2016 the tariff will raise approximately £310 million. Mainstream government funding has also been scheduled (where possible) to provide the additional £1.4bn required. For full details of the business plan see the MKPC website - <http://www.mkweb.co.uk/mkpartnership/home.asp>

The approach of mapping out development and infrastructure could be transferred to sub-regional and regional levels to identify the infrastructure requirement, its cost and timing to feed into wider public sector investment decisions. It would also provide increased certainty for the private sector, reducing the risk and therefore attract investment. In some areas a tariff, as with Milton Keynes, could be developed to provide additional funding.

In **West Bedford**, public sector agencies came together to underwrite the cost of a by-pass, which would release land for the development of 2,250 homes with the public sector sharing the uplift in land values with the landowners to recover the cost of the by-pass.

Bedford lies within the Milton Keynes South Midland Growth Area and the sub-regional strategy sets out an ambitious policy for 19,500 new homes by 2021. Sufficient housing and employment land have been identified in the Bedford area to meet this growth, but there is a lack of capacity in the existing infrastructure and this has constrained Bedford’s economic performance.

One opportunity for new housing development in Bedford is a collection of sites to the west of the town, which could accommodate a new settlement of around 2,250 homes and associated community infrastructure. However, in order to open up these sites for development, a road bypass to the west of Bedford needs to be built which cannot be funded by either the local authority or the Highways Agency. The new bypass will support the economic regeneration of Bedford.

Asked to provide a solution, English Partnerships brought together public partners, such as the county council as highways authority, DCLG and the Department for Transport, as well as landowners, brokering a funding plan to construct the road in a partnership arrangement.

English Partnerships will enter into contractual arrangements with the County Council for the construction of the bypass, with other funding contributions provided from the County Council’s LTP and DCLG’s Growth Areas Fund. Because English Partnerships will be funding the road, adjacent landowners will have grounds to obtain planning consent to build new homes. On

condition that the road is funded, we have agreed with these landowners that they will deliver the homes to an agreed timescale.

We have also agreed with the landowners that English Partnerships and the local authority will share in the resulting uplift in land values and negotiated payment from the land as it is sold for housing over a 10-year period. The landowners' obligations to pay will be secured by a legal charge over the land (or other security) in favour of English Partnerships.

This example has potential for wider use - it is essentially a cash flow mechanism to capture the resulting land value uplift that minimises the net public expenditure and even holds out the potential for net gain by the public sector alongside private landowners. The model could be transferred to other situations where public infrastructure unlocks private assets and contributions. It could also potentially attract private finance in future or be used to underwrite the costs of infrastructure to reduce the risk and attract private sector investment.

28 July 2006

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Dear Kate

### **Barker Review of Land Use Planning – Interim Report**

We were pleased to see your interim report, which includes many sensible ideas for further improving the planning system.

We would like to highlight a few issues from our original submission to you, which we hope will help your future work.

English Partnerships is working to improve the land use planning system in the areas in which we operate. We are involved in a number of initiatives which address some of the issues raised in the interim report.

**ATLAS** (Advisory Team for Large Applications). You rightly point out that more needs to be done to improve the capacity within local planning authorities. ATLAS is part of DCLG's Planning Advisory Service (PAS) and is hosted within English Partnerships. This was set up to provide an independent advisory service to Local Authorities experiencing the pressures of increased development activity. ATLAS has therefore been working to help unblock the issues holding up large applications, increase the knowledge and expertise within Local Authorities and disseminate best practice and act as a partner to Local Authorities and independent reviewer of large applications and issues. Established eighteen months ago, the ATLAS team has so far worked on eighteen projects with potential to unlock consents for more than 30,000 homes across London and the South East. The team has recently expanded to cover the East and South West of England.

Given their extensive experience of working to overcome barriers in delivering large applications, we would like ATLAS to be involved in future meetings of the planning professionals group of your group.

**Planning Delivery Agreements.** Earlier this year EP's ATLAS team published research on the potential role that Planning Delivery Agreements (PDAs) could play in providing a more structured method of local authorities and developers working together to achieve high quality results. As noted in your interim report, PDAs are now being incorporated into a series of national pilot projects being run by the Planning Advisory Service and ATLAS that are intended to improve and speed up the planning process on large applications. The expanded team will produce a range of

topic papers based on project experience and research covering specific aspects of the delivery of large-scale housing led sustainable development, to provide a comprehensive tool-kit for major applications.

**Milton Keynes Prospectus.** The Milton Keynes Partnership Committee (MKPC), a committee of English Partnerships and the Local Authority, has effectively developed a planning tariff to support the growth of Milton Keynes. The MK Prospectus for Growth establishes a partnership with delivery agencies such as MK Council, MK General Hospital NHS Trust, MK PCT and the voluntary and higher/further education sectors. This sets out proposals for the levels of local and strategic infrastructure investment that are required to promote growth and also determines the level of developer contribution achieved through Section 106 process. We suggest that such public sector planning, with or without a tariff arrangement, provide a good basis for local authorities to develop growth strategies.

**Design Codes.** We believe that the planning system could make better use of design codes to speed up the process of approvals. We are working closely with DCLG on a pilot programme, including our sites, early evidence from which shows that codes can produce results that benefit communities, local authorities and the development sector. When codes are flexible and deal with principles rather than detail they work well. There is wide and growing support for integration of design codes into the mainstream of the planning process which we would like to have recognised in your final report.

**A National Infrastructure Strategy.** Your interim report states that there may be a role for a national strategy on major infrastructure. Our view is that public funding and private finance should play a part in such a strategy if it is to have any impact on delivery. If this is an area you will be looking at in more detail we would be happy to share with you our experiences in establishing and operating different approaches to infrastructure provision. One example is our forward funding of the West Bedford Bypass, the cost of which we will re-coup through land value capture agreements with land owners, releasing around 2,500 homes in this growth area.

**Utilities.** In discussing infrastructure, your interim report did not address in any detail the issues relating to the role of utilities in supporting the delivery of sustainable communities. A new, strategic approach to ensuring appropriate access to utility services is required, which takes account of competitive utility markets and of the objectives of the new players. There is an added complication of the Telecoms providers which carry out certain activities outside the planning framework, creating difficulties for land assembly exercises and Compulsory Purchase Agreement strategies. As stated in our initial response, we would be happy to share with you work carried out by English Partnerships as well as some work we are currently doing with the Housing Corporation which proposes improvements to the way utilities are provided as part of the regeneration/development process.

**Land Use Data.** There is a need to make land use data more transparent and access to it faster. Major improvements have been made in the use of land data but more can be done to pool resources between local government and national bodies. English Partnerships would be happy to contribute further to this discussion drawing on our experience working with DCLG on the National Land Use Database (NLUD), the register of surplus public sector land and the national brownfield guide (due to be published in the autumn).

**Section 106.** As a public sector landowner, we find that it is often a major challenge to maintain receipts to the public sector for sites valued prior to Section 106 agreements being finalised. The affordability of Section 106 is often looked at far too late in the process. As Section 106 becomes a key tool for providing affordable housing, as well as local infrastructure, tensions may begin to rise. We believe that more clarity should be given by the Government over the use of Section 106 to standardise its use across the country.

**Incentives.** Other than Section 106, there are too few incentives for local planning authorities to encourage growth. We suggest that further reform of Section 106 is needed, given that few local authorities are using it strategically to support growth-related infrastructure. New development brings the potential for net gains in Council tax revenues and business rates yet this often goes unrecognised in the way that local authorities view the benefits of growth. Greater use of incentives to encourage change and growth, whilst maintaining proper due process and adherence to planning law, would make the planning system fit better with wider regional and national policy.

We would be happy to help your team with information and data from our systems and also give more examples from our experience to help your review. We will be in touch to identify a date for such a discussion.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steve Carr', with a long horizontal flourish extending to the right.

**Steve Carr**

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