

Balfour Beatty

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Group Managing Director

Our Ref: MJP/ect

13th March 2006

Ms Carmel Howard
Barker Review Team
4/E1, 1 Horseguards Road
London
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Dear Ms Howard

BARKER REVIEW OF LAND USE PLANNING

I refer to the letter of 24th January 2006, from Kate Barker to Ian Tyler, Chief Executive of Balfour Beatty plc.

Ian has asked me to respond on his behalf and I enclose for your information our response in respect of the Call for Evidence.

In order to assist you in the collation of the feedback I have set out our responses in line with the numbering of the fifteen question in Annex 1:

1. Flexibility

We believe that the new planning system introduced in September 2004 will prove a more flexible and responsive process than its predecessor. A good feature is that it will be reviewed every 3 years, not 5 years.

It is central Government, with support from the Regional Assemblies, that has the overall interests of the Country at heart, with the understanding of wider issues in mind when drafting the new Regional Spatial Strategy (RSS); this is the most appropriate process. Local expertise and knowledge can then be added through the Local Development Framework (LDF).

This does, however, need to be transparent, and there is no process in place if the LDF does not agree with or support the RSS. For example, the RSS for the South East identifies four growth areas for new housing, yet the local authorities know that there is not the infrastructure or water supply capacity to support the planned growth targets – how will this be resolved?

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2. Balance

We do not have an in-depth knowledge of each RSS. However, we believe that the new system will strike the right balance between central, regional and local planning.

3. Sustainability

Sustainability – the interaction of social, economic and environmental drivers – should be the core principle underlying planning. Planning should support economic growth and therefore the commercial benefits of development will invariably outweigh environmental and social benefits. The pragmatic point is that whatever might be the wish about how much weight is given to each factor, the non-economic will be a consequence rather than a prime driver in most planning submissions.

There are anomalies, where having a good intention is not achieving any significant benefit in practice. For example, there is a requirement for all new Affordable Housing to achieve an EcoHomes environmental rating of ‘excellent’. Private housing is not required to comply, and as only 10-15% of all new housing is Affordable, the environmental gain will be minimal.

The RSS may also set down its views and requirements on all aspects of sustainability, but this is not necessarily delivered due to local economic considerations.

4. Other Countries

Unfortunately we do not have experience readily available to be able to provide an informed answer to this point about planning systems elsewhere.

5. Business Investment

The RSS will assist business in planning for growth by identifying key growth areas and zoning regions. However, clearly delays in granting planning permission / appeals do not assist business growth.

We also suspect that at a local officer level, there is no real integration between assessing a planning application and its impact on the wider community, particularly in relation to the objectives of the RSS.

6. Strategic Interaction

Yes, we believe the planning system is sufficiently joined up; for example, the active engagement of the South East of England Development Agency (SEEDA) and Regional Assembly (SEERA) in drafting the RSS for the South East region.

7. Speed / Delays

In general the planning process can be slow, particularly when an application has officer approval but is rejected by the elected committee for unsafe reasons - only to succeed on appeal; a costly (for the local authority) and drawn out process. Written appeals will commonly take 6 – 7 months, and a full enquiry will often be over a year.

Often too many people are involved in the process, with some local authorities not even considering an application until the Parish Council has approved it.

Greater use of Design Codes, as used on English Partnerships land and for the extension of Northampton at Upton, would be of great benefit to the process; the planning requirements are so specific that it is clear what is required – resulting in a more streamlined and definitive planning approval process.

8. Direct Costs

We do not believe the cost of planning applications is a serious barrier when making a genuine application.

9. Occupation Costs

High occupation costs are largely a result of straightforward supply and demand, with the rate at which land supply becomes available to the market being primarily controlled by the landowner. In comparison with this and some other factors, the planning process has a minimal impact.

10. Competition

Once planning has been granted, there is sufficient competition for each size of project and land use requirement. Examples include volume housebuilders competing for large sites, and many regional and local developers competing for smaller opportunities.

11. Innovation

This is not a question on which we feel we can give a substantial response.

12. Skills / Resources

There is in general a lack of planning officer resource, and at committee member level there is a need for skills training if the present process of approval is to be retained, as members in particular do not have an awareness or understanding of the wider sustainability agenda. More guidance and training should be available and used.

A partnering approach involving the investor, officer and elected member would potentially be effective in addressing the lack of professional resource on the one hand and the lack of understanding on the other, especially when dealing in detail with large planning applications.

The new process does, however, offer a closer link with the Regional Assemblies and Development Agencies.

13. Stakeholder Engagement

There may be barriers to SME involvement in terms of resources and time commitments – could individuals be compensated for time given over to public consultation, we wonder? Also, another barrier relates to whether stakeholders are suitably qualified to comment on the wider agenda issues set out within the RSS? This would require education and training.

14. Incentive Structure

There needs to be a balance between the local interests (sometimes characterised by the *Not in my back yard* attitude) compared to the wider community and objectives of the RSS. There is a case for the delegated powers of officers to be increased for larger applications, negating the need for local planning committees, especially if local views have already been taken into account during the LDF process.

We also believe that the proposed Planning Gain Supplement (PGS) may discourage brownfield development, as the proposal is for a fixed percentage based on the increase in land value upon receipt of planning permission, and does not take into account site remediation costs. Additionally, PGS could scale back the Section 106 requirements and subsequent supply of affordable housing, and it could also halt development on some brownfield sites having become uneconomic to develop.

15. Economic Performance

The planning process and use of the RSS will identify new opportunities for economic development. Planning should however, take into account specific local issues; for example, change of use from commercial to residential in high demand areas.

There is also an issue over generic planning requirements; for example PPG3, and the resultant increase in apartments to achieve increased density whilst the demand for larger family accommodation outstrips supply.

I hope that these comments are of some benefit to your Review. I look forward to seeing the interim report in a few months time.

Yours sincerely

A handwritten signature in black ink, reading "Michael J. Pearland". The signature is written in a cursive style with a large, prominent initial 'M'.