

The British Land Company PLC

Response to Barker Review of Land Use Planning Call for Evidence

March 2006

1 British Land

- 1.1 The British Land Company PLC is a major UK FTSE listed property company, investing in prime modern properties. With a current portfolio of over £18bn owned or under management and a development programme of over £1.3bn, the company is a major user of the planning system in the UK. British Land welcomes the opportunity to respond to the call for evidence and is pleased to be directly involved in the review process through the participation of the company's Head of Planning and Environment, Adrian Penfold, as a member of the Panel of Experts.
- 1.2 In this response we draw on British Land's experience of the planning system around the UK, as a company which deals with a large number of different planning authorities and submits a range of planning applications, from minor applications resulting from the management of the portfolio to strategically important regeneration projects in central London and elsewhere.

2 Cost and Delay

- 2.1 Costs associated with making a planning application, and the time taken to determine applications have both increased significantly over the last few years. From our own analysis of planning applications for major projects it is clear that a significant change took place towards the end of the 1990's. We estimate that the cost of making a planning application for a major mixed-use development in central London increased by approximately 200%. This seems to be largely attributable to the increased requirement for Environmental Impact Assessment (EIA) and widening of the scope of issues to be covered by assessments. This is not to suggest that the introduction of mandatory environmental assessments was a mistake, but our analysis suggests that such assessments have come at a price.
- 2.2 Even where an EIA is not required it is now common practice for local planning authorities to expect reports dealing with many of the issues which would be covered by EIA. Preparation of this documentation requires input from specialist advisors in many fields, eg. in preparing the EIA for a major tower building in the City of London over 30 different disciplines were involved. As well as the costs associated with this work, the submission of the application is often delayed because of the need for extensive pre-application stakeholder discussions.
- 2.3 The planning system is geared to identifying new issues to be considered and new burdens to be imposed on applicants as part of the application process. It is not always clear that the technical expertise which has to be brought to bear by the

applicant is matched by authorities' resources and their ability to digest and respond to the information. A clearer definition of the competence and scope of the planning system, particularly in relation to other regulatory mechanisms such as Building Control, and more clarity on what the system is not intended to deal with, would place some limits on what is an overburdened and over engineered system.

3 The Plan Led System

- 3.1 The new development plan system introduced by the 2004 Planning and Compulsory Purchase Act is only now beginning to come into force, with the first Examinations in Public to be followed shortly by adoption of Core Strategies. There is already evidence that the system is over complex and could be simplified. Local planning authorities are however putting a great deal of effort into the new system and radical reform of that system in the short term would inevitably lead to frustration and disillusion.
- 3.2 For the first time the Government has identified an objective for the planning system, in PPS1. The core principal of sustainable development is underpinned by four aims, the last of which is “- the maintenance of high and stable levels of economic growth and employment.”
- 3.3 The planning system is however seen by some (authorities, pressure groups?) as a way of mitigating or offsetting the worst impacts of economic growth rather than facilitating that growth. National and regional policy sets out clear objectives for growth in GDP. Those objectives need to be embedded in the Local Development Document (LDD) making process, particularly at Core Strategy stage. Local planning authorities should be required to explain in their LDD's how they intend to facilitate productivity growth through competition, innovation, investment, skills and enterprise. Government agencies involved in the planning process should also be required to explain how they are facilitating the achievement of these objectives through the planning process.
- 3.4 The “soundness” test that is applied to draft LDD's should include a consideration of the impact of proposed policies on economic productivity under these five headings. LDD's should be required to be explicit about the positive and negative impacts of social and environmental policies on economic targets. LDD's should also include regulatory impact assessments, particularly when new policies are being applied in areas which have hitherto been excluded from planning policy.

4 Leadership and Resources

- 4.1 When dealing with major planning applications, our experience of planning authorities around the country suggests that resourcing is important but that, if anything, leadership is more important. Good local planning authorities are characterised by a commitment at political and executive level to the planning service and an appreciation of planning as being an important instrument in the delivery of authorities' corporate and political objectives.

4.2 There is no substitute for the ability to speak to an officer who is in charge and can make decisions which will then be supported at a political level. Direct engagement with political leadership is also important but is frequently hampered by rules put in place to ensure probity. This is of course very important but is sometimes, in our experience, used as an excuse for avoiding discussion at a political level.

4.3 Local councils should be required to employ a planning professional at a senior level in the management structure and Government should make it clear that it expects senior level engagement of officers and members when dealing with proposals which can have a significant impact on the future of an area.

5 Incentives

5.1 In many parts of the UK the Government's sustainable economic development objectives are not given enough emphasis in comparison with environmental and social objectives. The approach taken often suggests that the planning system is intended to deliver environmental and social objectives and is not seen as a means to deliver sustainable economic growth.

5.2 To understand the reasons for this, the costs and benefits directly bearing upon local councils should be considered. The proportion of local authority funding raised through local taxation has fallen to about 15%. In particular, the National Non-Domestic Rate is passed directly to central Government and then allocated back to local authorities. Local councils therefore often seem more concerned with the income deriving from Section 106 agreements than with the economic impact of the development which is taking place in their area. Indeed that development is often seen as a burden because of the increased council services that will be required.

5.3 The Local Authority Business Growth Incentive scheme, although limited in its scope, has led to some positive changes in the perceptions of the benefits of development. The proposed Planning Gain Supplement would though if centrally allocated and administered, lead to a further centralisation of control of income generated at the local level.

5.4 The relationship between the Barker Review of Land Use Planning and the Lyons Review of Local Government Funding is highlighted by the issue of incentivisation and it is important that any changes to the funding of local Government take this into account.

6. Infrastructure Delivery

6.1 The Government is rightly focusing on the need for infrastructure to enable development to take place. The Cross-Cutting Review is welcome in this regard and much of the debate on Planning Gain Supplement (PGS) has also revolved around delivery of infrastructure. It is however important that consideration is given to mechanisms for delivery of the required infrastructure at the local level as well as ways to fund it, which is at present the focus for the debate on PGS.

- 6.2 In our experience there is often a lack of communication between the different agencies of Government that have responsibility for infrastructure and for land use planning. The ad-hoc basis on which many decisions seem to be made does little to provide certainty to developers, who are making significant investments in the larger projects that are required in order to deliver the housing and employment development needed to facilitate growth. The Highways Agency is particularly important to the delivery of much of the planned growth but often appears to be taken by surprise when applicants submit strategic schemes which have come through regional and local planning policy making processes. A more proactive approach to delivery is called for, working in partnership with the private sector.
- 6.3 The development industry has proved that it will respond to Government initiatives to promote growth areas and regenerate brownfield sites. Local development corporations, English Partnerships and other agencies have shown that Government can work constructively with the private sector at the local level. This good practice is however limited to a relatively small proportion of the development pipeline and varies from region to region. Lessons need to be learnt, and in particular Government agencies could be clearer about their priorities and commitment to working with the private sector to provide infrastructure when and where it is required.

7 The Appeal System

- 7.1 The appeal system provides a safeguard and fallback to ensure that all parties involved in the determination of planning applications can, if necessary, be held to account. This second level of decision-making provides a safeguard to ensure the honesty of the system and, when necessary, a means of testing genuinely held but conflicting points of view. Delays in the appeal system, with decisions on major applications taking 18 months or more, can undermine the planning process as the applicant is effectively precluded from appealing because the delay in reaching a decision undermines the financial viability of the scheme. The Planning Inspectorate clearly requires additional resources and this should be treated as a priority.