



The Barker Review of Land Use Planning

Response from the British Chambers of Commerce

March 2006

1. About the British Chambers of Commerce

1.1. The British Chambers of Commerce (BCC) is the national voice of local business; a national network of quality-accredited Chambers of Commerce, uniquely positioned at the heart of every business community in the UK. The BCC represents 100,000 businesses of all sizes across all sectors of the economy who together employ over five million people.

2. Overview: Businesses and the planning system

2.1. Businesses are of the opinion that an effective, efficient planning system undoubtedly supports economic growth and prosperity but can also be compatible with sustainable development goals. There has been a welcome shift in attitude over approximately the last ten years towards a greater recognition of the need to support developments that will lead to economic growth.

2.2. Notwithstanding the recent reforms designed to improve the planning system, businesses are still critical of the system in England. Principally, criticism focuses on the lack of speed, transparency and consistency across the planning system. Speed is essential, but must be matched by clarity and consistency: it is no good making a decision on a major application within the target period of 13 weeks if the application has been poorly assessed. The reforms introduced over the last five years, including those under the Planning and Compulsory Purchase Act 2004, are starting to make a difference although more work needs to be done to embed the reforms and ensure that improvements are continually being made.

2.3. The Barker Review provides an opportunity to assess the effectiveness of changes to the planning system and, if need be, identify any further reforms necessary. However, although the business community has criticisms of the current system, we do not want to see another root and branch overhaul of processes; what we do want to see are continued efforts to act on the existing reforms and make improvements, as well as increased emphasis on the crucial role of the planning system in economic growth and competitiveness.

2.4. Amongst the business community there is a real concern that the UK as a whole is already losing out to international competitors and is in danger of falling further behind in part as a result of a slow planning system that often seems set against development which would promote economic growth. This is especially the case with planning for transport infrastructure which is felt to lag well behind countries like France and Germany, let alone far less regulated countries like China.

3. Areas for improvement within the planning system

3.1. In addition to greater speed, transparency, consistency and of course quality, the one respect in which businesses do believe there needs to be major change to the planning system is in making it more responsive to local economic needs and permitting greater flexibility. Although planning is a local government responsibility and Regional Spatial Strategies (RSSs) now have statutory force, there is still a high degree of centralisation in the planning process which can limit room for manoeuvre at a local, or indeed regional, level.

3.2. Over-centralisation can hinder the planning process from being responsive and alert to local circumstances. However, central guidance does still have a role to play in setting out the importance of planning to economic growth and ensuring that this is fully understood and appreciated by regional and local planning authorities. Having set out the basis for the planning system, decision-making should then, as far as possible, be conducted at the local and regional levels. For this reason, businesses are keen that PPG 4 is reviewed, revised where necessary, and disseminated as quickly as possible so that the lack of certainty over the role of planning for economic development can no longer be used to stall decisions on planning applications.

3.3. Political pressures can be a problem in the current system, particularly at the local level. Developments by businesses which could benefit the local economy may, however, be opposed by local residents and, because business does not have a vote as such, planning applications by businesses may be turned down. This needs to be addressed by clearer guidance on planning for economic development, coupled with a longer-term assessment by the local authority of the benefits to the area, aside from more immediate political considerations.

3.4. The RSSs do have the potential to improve the framework and the presumptions on which the planning system is based so that economic growth can be achieved, provided that they have extensive business involvement and a sound appreciation of the needs of businesses. However, we would argue that the RSS should work to the same timescale as the Regional Economic Strategy (RES) because the planning system and economic circumstances are closely interlinked. Within the 20-year span of the RSS, there must be flexibility to review the framework in the light of changing circumstances. This is vital when, for instance, global pressures can have rapid effects on which sectors locate in a specific geographical area or new transport and infrastructure needs emerge as a result of new growth, for example new road and rail infrastructure to support expanding ports.

3.5. Where planning for major infrastructure projects is concerned, decisions are delayed and can be complicated by the fact that they are always referred back to central Government departments. Whilst this is largely due to the sums of funding involved, it results in layering of decision-making, with the result that the planning system is slowed down and becomes less able to respond effectively to changing economic realities. The Midlands Expressway has been highlighted by the BCC's Transport Working Group as a prime example of this type of delay and layering: it took 19 years to clear the planning process but only two years to build.

3.6. A far more positive approach towards planning for economic development needs to be adopted by planning authorities and popular opinion likewise influenced to see

both the necessity and desirability of development for the local economy. A basic presumption that well-managed development is beneficial would help encourage enterprise and minimise the disputes, instead making discussions between businesses and planning bodies far more constructive. Highlighting the link between economic development, a growing business base and regeneration would aid the process and therefore help create a 'virtuous circle', with increased economic growth and therefore greater regeneration.

3.7. A practical measure to improve the speed of the planning system and ensure that economic development is given a high enough priority could be to prioritise applications, so that schemes which would lead to job and wealth creation are given a higher priority than, say, a domestic extension. In the light of very stretched resources and a lack of experienced planners, this could be a solution.

3.8. Pre-application discussions would be a practical way to speed up the process once an application is submitted and make the system more effective by addressing concerns or objections right at the beginning of the process. Businesses repeatedly cite frustrations at spending a number of weeks or months in discussion about an application only for objections to be raised late in the day.

3.9. Lack of certainty is cited by many businesses as a major problem with the planning system but we hope that the new Planning Delivery Agreements currently being piloted will improve the situation for major developments. If evaluation of the PDAs finds that they are effective in establishing better project management and clearer timescales then there might be elements that could also be applied to smaller projects.

3.10. The complexity of the planning system means that it can be a very time-consuming and costly process for businesses. Local Development Frameworks do not as yet appear to be simplifying the system and businesses are confused by the vast amount of information in the portfolio of Local Development Documents. Further efforts need to be made to simplify and reduce the amount of information that those making planning applications need to assimilate.

3.11. There are concerns that under the current system, developers or businesses who have large land banks can make the system work far better for them than smaller businesses who do not already own land. Smaller businesses may be unable to acquire sites with planning permission for the development of, for example, a multi-use site with retail space, offices, a warehouse and a car park, particularly where a local authority is attempting to discourage car use within an urban area. There are also concerns about the apparent ability of large companies to develop on Green Belt land whereas small businesses are unable to improve their competitiveness and survive by expanding their premises they are situated in the Green Belt. Though SMEs are aware of the need to protect Green Belt Land, this discrepancy needs to be addressed. If not, such differences between large and smaller companies can really disadvantage the small firms that are essential to increased economic development and maintaining the country's competitiveness. The planning system therefore needs to not only be made more business-friendly as a whole, but also more SME-friendly in particular.