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24 March 2006

Dear Ms Howard

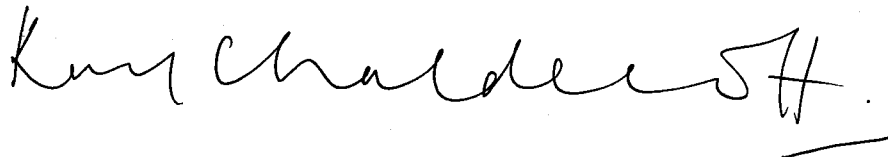
BARKER REVIEW OF LAND USE PLANNING IN ENGLAND: RESPONSE BY CAPITAL SHOPPING CENTRES PLC TO CALL FOR EVIDENCE

Thank you for inviting Capital Shopping Centres to submit evidence to this review. Please find enclosed a statement containing our views drawing on our experience throughout the country on a large number of projects.

We also enclose copies of some recent research that we have commissioned on the economic impact of three of our most valuable assets. The scope of this research is explained in our statement and we hope it will further inform your consideration of the issues outlined in your call for evidence.

We would, of course, be happy to enter into further dialogue should you feel this would be of benefit.

Yours sincerely



**Kay Chaldecott
Managing Director**

BARKER REVIEW OF LAND USE PLANNING: RESPONSE BY CAPITAL SHOPPING CENTRES PLC TO CALL FOR EVIDENCE

1.0 INTRODUCTION

- 1.1 This statement forms our response to the above Review. In preparing our response, we have sought advice from our town planning advisors, Nathaniel Lichfield and Partners Ltd., and have discussed the issues with other companies and organisations that we deal with in the running of our business, including retailers, local planning authorities and development and funding partners.
- 1.2 This statement sets out the nature of our business, with reference to the property investments that we own and manage and other development interests that we are currently pursuing. We then provide a commentary on the main issues arising out of the Review, including those areas where we have particular concerns. We also refer to some recent research on the economic impact of three of our assets that we commissioned last year. We have also provided copies of that research as we consider it is relevant to consideration of a number of questions posed as part of this review.

2.0 BACKGROUND INFORMATION

Capital Shopping Centres (CSC)

- 2.1 CSC is the leading Company in the UK regional shopping centres industry. It is a wholly-owned subsidiary of Liberty International PLC.
- 2.2 Throughout the UK, CSC currently owns and operates twelve major centres with a combined estimated investment value of £5.8 billion. Eleven of the centres are in England and one in Scotland. Details are provided below. The centres provide a wide range of facilities to their local communities including shops, services, leisure and housing. In total, these centres directly employ an estimated 44,000 people and are major generators of wealth in their local communities. The facilities are visited by some 210 million visitors each year.
- 2.3 Eight of our investments are in town and city centre locations in Bromley, Hanley, Manchester, Newcastle-upon-Tyne, Norwich, Nottingham, Watford, and Uxbridge; and four are sub-regional shopping centres in out-of-centre locations at Bristol, Thurrock, Gateshead and Glasgow.
- 2.4 CSC does not have any convenience superstore or retail warehouse-type interests in England.
- 2.5 We have a very active development and investment programme including the replacement of outmoded floorspace and facilities and extensions in existing locations. We are also in the planning or construction phases of new investments in town and city centre locations including proposals for a major retail-led mixed use development project in Oxford city centre. We are also constantly reviewing and updating transport and access provision,

focussing increasingly on ease of access by modes other than the private car. Over the last five years, our investment in public transport has exceeded £15 million and included major new infrastructure projects for both bus and rail, all of which have been funded entirely by us without any contribution from the public sector.

- 2.6 CSC has other interests in the UK including a major interest in the St David's II city centre re-development in Cardiff.
- 2.7 We work closely with local authorities and other parties and have had considerable first hand experience of PPS6 "*Planning for Town Centres*" more particularly, but also the town planning process more generally and the application of planning policy in many different locations throughout the country.

CSC Research on Planning and Economic Issues

- 2.8 CSC completed three major research exercises last year examining in detail the long term economic impacts of three of its regional shopping centre assets, two of which are located in England. This work was carried out for us by The Oxford Institute of Retail Management based at Templeton College, Oxford and Nathaniel Lichfield and Partners Ltd.
- 2.9 The purpose of commissioning these studies was to obtain a better understanding of the long term economic impacts of these facilities in their regions. These centres, have been much maligned in some quarters but this perception is not based on any substantive research on these centres or their roles in the communities that they serve. This lack of research is a significant concern when there has been, and continues to be, a considerable amount of new policy formulation at all levels of government on matters which directly affect our interests.
- 2.10 Attached to this statement are copies of the Summary and Main Reports of the Economic Studies of our assets at MetroCentre, Lakeside and Braehead. We would be pleased to provide additional copies if required. We would refer you, in particular, to the Headline Conclusions in the Summary Reports. In the case of Lakeside, for example, the study identified that it supports 10,800 jobs and generates £129 million income at the regional level. It regenerated a brownfield site, raised investor confidence and helped attract further development. It is now an important focal point for the West Thurrock community.
- 2.11 Lakeside is centrally located within the Thames Gateway Thurrock Urban Development Corporation area and we are working in close conjunction with them to ensure that our asset can be fully utilised to help assist the regeneration of this area in the future. Our partnership working with the Corporation and the local Council is enabling us to explore how our asset can be a positive force for the good helping to deliver economic growth in a planned manner consistent with regional planning policy objectives.

3.0 "CALL FOR EVIDENCE" QUESTIONS AND CSC RESPONSES

"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?"

- 3.1 To say whether the planning system delivers the right development in the right place implies that there is a consensus as to what constitutes "*right development*" and "*right place*". This is clearly not the case as a key purpose of the land use planning system is to manage the different views/conflicts that arise from a limited supply of land.
- 3.2 The inflexible nature of the land use planning system means that there are inherent limitations as to what it can and can not influence. It may be that other Government policies or mechanisms may prove more effective, in certain cases, to bring about change. In particular, there are problems trying to use the land use planning system to tackle long term, economic, environmental and social issues. The setting up of the Urban Development Corporation in West Thurrock is a case in point and an example where there is a more focussed effort on regeneration and delivery, than otherwise may have been the case.
- 3.3 Policy-making at all spatial levels is important to ensure that there is flexibility in the planning system to deal with development control issues arising from and contributing to the changing economy. However, if the planning system is to work, Local Planning Authorities need sufficient resources in order to prepare efficiently and review adequately their Local Development Documents (LDD's). The principle of more flexible Local Development Frameworks (LDFs) is supported, however, it has become clear that the initial timescales set out for the production of LDFs are unlikely to be achieved. The new system could be considered to be overly-complicated with too many documents having to be produced. Almost all of the documents require multiple consultation, creating repetition, delays and frustration on behalf of consultees. This begins to raise questions about how flexible they really are. Reports of the unacceptable quality of Statements of Community Involvements and Local Development Schemes which have been submitted call into question the quality of the work being carried out.
- 3.4 Despite these problems, it remains our view that the current land use planning system could be operated in a sufficiently flexible way to help meet development needs as and when they arise from changing economic circumstances. Ultimately, any problems with lack of flexibility and responsiveness do not lie with the Planning and Compulsory Purchase Act 2004 itself; the problems lie instead with the implementation and resourcing of the system. Simplifying the LDF production and associated consultation processes would be a good starting point to ensure that the intended flexibility and responsiveness of the land use planning system is realised. This needs to occur hand in hand with the long term resourcing of initiatives at local and regional level.

"2. 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?"

- 3.5 It is our view that the right balance between central direction and local discretion is not being achieved. There is currently too much emphasis on central Government policy guidance. Some PPS policy could better be provided at the regional level, where it would be more applicable to the particular economic circumstances of that region. For example, at the national level, the policies in PPS6 for new out-of-centre regional and sub-regional shopping centres and the extension of existing centres (Para. 2.14) are not justified by research or evidence and represent a very crude policy tool for interpretation at regional, let alone sub-

regional or local levels. For new centres, this comment is made against the background that CSC accepts there may not be a need for new out-of-centre, regional and sub-regional shopping centres, providing that there is sufficient new floorspace provided in-centre/edge-of-centre and the PPS state simply that any new centre should be justified and planned for at regional level.

- 3.6 The research that does exist, including that referred to above, suggests the current policy approach towards expansion of such existing facilities is also ill-informed and without foundation. The policy for expansion within PPS6 relating to existing out-of-centre regional and sub-regional shopping centres is not required or justified and should be revised in any review of the PPS to refer only to major expansion and only this being a matter for consideration at the regional level.
- 3.7 The PPS's policy for the renewal or replacement of existing floorspace at centres such as MetroCentre and Lakeside (Para. 2.14) state that it may be "appropriate", if involving no additional floorspace or car parking. But the re-use of existing floorspace or other means of renewal should only have to be dealt with by local planning authorities and not at regional level (the PPS only refers to proposals being "*subject to the appropriate policy considerations*"). Therefore there should be a clearer differentiation in the PPS between regional and local matters.
- 3.8 As regards the regional level of land use planning and specifically on the subject of the designation of new centres, PPS6's policy is that this should occur through the RSS process, where it is of more than local importance. We generally support this policy and its requirement that transport infrastructure should be key in deciding the location of such new centres. It should be applicable to the possible designation of existing regional and sub-regional out-of-centre shopping centres, which already offer a range of retail and other facilities, and services and which already serve as focal points for surrounding communities, providing that these accessibility criteria apply.
- 3.9 All of PPS6's policies for the regional tier (RSS) of planning for town centres make detailed research essential. This in turn necessitates close working relationships in the form of partnerships between regional bodies, local planning authorities and the retail industry. The Government is not setting a good example in this context as, although PPS6 even in draft had been informed by research and good practice guidance commissioned by the ODPM, most is still not yet available. As a matter of principle, and while we accept the differences between policy and good practice guidance, they are so closely related in this instance that we consider the PPS consultation process would have been more robust and more equitable, and the PPS's policies and objectives more easy to achieve, if all the research and Good Practice Guidance were available, with there having been an opportunity to comment at the same time on the draft PPS. As yet, the material has still not been made available, and we have not been able to comment fully on certain PPS6 policies, relating for example to assessing impact and applying the sequential approach.
- 3.10 We believe that as a matter of principle it can only be of benefit if stakeholders, who will have a significant bearing on the successful implementation of policy in the future, are able to contribute to and share information prior to the finalisation of national policy. This would be consistent with the aims and objectives of partnership working that the Government is keen to encourage, in order to bring forward appropriate strategies. Thus consultation drafts of the Good Practice Guides should be published forthwith, and a further opportunity then given to add comments on PPS6 and its need for review fully considered.
- 3.11 At the local level of spatial planning the production of a 'suite' of LDDs is confusing both for those within the development industry and for the general public. Development Plan

Documents (DPDs) etc. set out in LDSs are in some cases, already out of date. Furthermore, the LDD documents which are being produced are generally, excessively long and there is a tendency for repetition within them with recitals from national policies.

- 3.12 A further problem with the plan-making process in the new system is the production of cross-boundary documents such as a Joint Core Strategies with a neighbouring authority. This can create confusion and uncertainty as these joint documents often run to different timetables and their geographical coverage does not always follow local authority boundaries.
- 3.13 Working with the amount of Local Authorities that we do, it has become apparent that there can be seen to be considerable variation in the approaches/ issues different authorities intend to cover in their LDDs.
- 3.14 While the new LDF process, with time and revision, might prove positive the fact remains that as it exists at the moment the whole system (development planning and development control) is slower and less flexible now than it has ever been.
- 3.15 This, in turn, has a significant bearing on our activities, particularly on our development activities. It adds costs, slows the process of delivery and increases risks. It therefore, affects our productivity in this area.

“3 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 the promotion of social cohesion, improving the quality of design 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?”

- 3.16 It needs to be recognised that with the ‘*think globally, act locally*’ sustainability principle, there must be a point where individual development cannot effectively/appropriately always address this principle.
- 3.17 There needs to be a clearer definition of what individual developments and occupiers can realistically contribute to this process and what is required to be organised at local and regional levels. For example, sustainable energy initiatives might best be organised at town or city-wide levels providing infrastructure which existing and new developments can then tap into. The infrastructure costs of such initiatives require coordination at this level.

“4. 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?”

- 3.18 We consider that the policy balance of economic, social and environmental factors in the UK planning system is about right, when compared with other countries. A major problem with the UK system, however, is that the outcome of more “*routine*” planning applications can be unpredictable and this creates greater uncertainty and risk in our decision making.
- 3.19 One way to address this problem might be, new ‘*tick box*’ planning and prior approval procedures in some areas and in relation to minor developments. These could both speed up the development process and allow greater certainty and delegation of decision making. In addition, there could be scope for minor commercial proposals to be the subject of an expedited procedure/revised GPDO provisions. This would ‘*oil the wheels*’ where smaller scale proposals are concerned, as such proposals form an important part of our asset management activities. Many of these proposals are subject to the same processes as

larger development which seems to be an unnecessary and inappropriate use of scarce resources.

5. 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?"

- 3.20 The planning system often impedes business investment by causing significant delays in implementation. It also now represents a very significant cost in pursuing development proposals. While a more efficiently run planning system is relevant in improving economic growth unfortunately, the recent reforms have added huge potential for further delay.
- 3.21 A particular problem with the new system is that business decisions/requirements often do not tie in conveniently with the development planning process and its timescales. In addition, the development industry is finding it increasingly difficult to reconcile the inherent conflict between the increasing levels of consultation arising from the new system and the supposed aim of reforms of increasing speed in achieving development. Whilst there are issues with the new planning system, importantly the overall level of certainty and efficiency for businesses remains unchanged from the old system.
- 3.22 If legislative measures and Government policy were now to remain consistent for the foreseeable future, then it should be possible for businesses such as CSC to work within the new legislative framework. There is, however, already a concern that the 5 December, 2005 announcement and consultation on Planning-Gain Supplement will bring about yet further revision of the planning system without giving the current system a chance. This will hinder rather than help alleviate the problems. We believe the current system should be given a chance to become established before being so quickly brushed aside.
- 3.23 With regard to increasing transparency in the system, the role of locally elected members in promoting business investment needs further clarification (this could be in the form of Central or Local Government guidance). Members should also be firmly discouraged from using the appeal system as a 'get out' clause for not making difficult decisions at the local level.
- 3.24 The appeal and costs awards procedures provide some disincentive but not enough. The appeal process involves further, often significant delay, fees and uncertainty for small and larger developments alike. These 'costs' are invariably borne by the developer. Whilst we fully respect the democratic process of local government there must be a clear responsibility on elected members to justify decisions properly in circumstances where they vote against an Officer's recommendation.

"6. 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?"

- 3.25 Regional Economic Strategies (RESs) often do not deal with retail issues, despite the fact that the retail sector is a very significant part of the national economy and a major generator of employment and wealth. Our research referred to above clearly demonstrates this.

- 3.26 From our experience RESs often appear to be quite academic in their presentation and focus on the more traditional definition of employment i.e. manufacturing, industrial and office-type activities. We consider they should have a wider remit reflecting the diverse nature of the current economic base.
- 3.27 In terms of "joined up" approaches to delivery of Government policy we are aware of restructuring in some regional government offices with the appointment of Locality Managers who have specific responsibilities for linking different areas of policy. We support this re-structuring and consider it may be appropriate to extend this to other areas of regional and local government.
- "7. 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?"**
- 3.28 The development control system does not emphasise speed over quality, but Best Value Performance Indicators (BVPIs) do. There are cases where LPAs are 'working the system' to keep within their targets. For example, some LPAs abuse the 12 month resubmission provisions to meet BVPI targets, effectively treating the first application as pre-application discussions if a scheme is considered unacceptable. BVPIs, therefore, should focus less on the time taken for decisions and mainly on the quality of the decision-making. One way to do this would be for targets for major applications to be staged, to "front load" the process whilst allowing time at later stages for discussions and full consideration.
- 3.29 Current planning application determination targets are also leading to the termination of discussions with applicants and requests for withdrawal on threat of refusal, and applicants having to re-apply. The PDG assessment could therefore be changed so that where applicants agree to specific timescales, LPAs are not penalised in their PDG allocation. The pilot "Planning Delivery Agreements" for major applications will address these concerns to a limited extent, but need to be introduced, expeditiously and widely.
- 3.30 A further criticism of planning targets is the way in which they put pressure on officers not to register applications or to refuse applications for reasons that could be resolved with a little more time. This is because the limited timescales imposed by targets discourage changes being made during the application determination process by curtailing the time taken for discussions. Restriction of dialogue with applicants also causes frustration during committee meetings, where there is no opportunity to respond to simple questions which then results in the application being deferred or refused. There should be scope to allow more public discussion at the stage of decision-making.
- 3.31 The development control system, particularly in relation to major schemes, is also being slowed by increasing requirements for small (post-approval) amendments to unimplemented planning permissions to be the subject of entirely new planning applications. The delays in having to re-apply can be considerable at a time in a project where investment is often committed. The effect of this is to delay implementation because of largely unnecessary administrative procedures. This is further complicated if a scheme requires a Stopping Up Order. Applicants currently have to go through the whole Stopping Up process again, every time a new planning permission is granted for minor amendments. The Government needs to establish a procedure for dealing with "minor post-approval amendments", based on a

streamlined re-determination process. Similarly, there should be scope to amend "unreserved" matters at reserved matters approval.

- 3.32 We support the proposed introduction of a single, standardised planning application and other consents form, to simplify the approval processes.
- 3.33 The worst delays in the planning system remain in the appeal and call-in systems. At present, there is also considerable inconsistency in relation to call-ins. Call-in and referral should only apply to applications of national significance or issues of impropriety. If this approach is not supported by Government then the aim should be to reduce the issues considered at call-in only to matters that are of greater than local significance and then ensure that inquiries are only used to cover land use planning policy issues and that they are not abused by competitors.
- 3.34 The time taken to be given a date for an inquiry remain unacceptable. Furthermore, there are often lengthy delays in the issue of a decision.
- 3.35 There is also a need for meaningful contact with Government Offices (GO) at pre-and post-application, and post-resolution stages. This would help to secure greater transparency and consistency in advice and guidance given by Government Offices. This is essential and appears to now be starting to happen more freely, although this improvement is not a consistent occurrence across different offices.

"8. 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?"

- 3.36 It is very important to note that the direct costs of making an application, particularly for larger schemes are now very considerable. From our perspective this deters investment in so far as the time taken (and therefore cost) to manage and prepare these submissions means that we cannot pursue as much development activity at any one time as we would like.
- 3.37 There is a tendency for local planning authorities and statutory consultees to ask for more and more information, an increasing amount of which is sometimes of only peripheral relevance to the decision making process. This creates unnecessary delay and cost.
- 3.38 One example is where Environmental Impact Assessments (EIAs) may be required for larger development projects. Local planning authorities increasingly err on the side of caution in deciding whether an EIA is required under the "screening" provisions of the Regulations. Increasingly requests are made when previously they might not have been deemed necessary. Where they are requested or when they are volunteered by the developer the "scoping" exercise should seek to limit the issues to be addressed to those significant impacts are likely to be encountered. Increasingly all issues are scoped into an assessment again extending the administrative burden and potential for delay. This approach reflects the situation more generally across other areas where information is required to accompany an application. Furthermore the initial scoping exercises are then often followed with numerous requests for more information, some of which are not material to the decision making process.
- 3.39 With respect to the increases in planning application fees this further increases the cost burden. However if this directly results in better quality and faster decision making on larger scale proposals this will be of benefit to CSC. It remains to be seen if this occurs.

- 3.40 Where planning permission has been granted it is important to note that few major schemes are built as originally permitted. There are often a large number of minor changes resulting from the working up of planning drawings to construction drawings and thereafter when construction is underway. There has been commentary in recent years about so-called “dumbing down” of developments once permission has been granted. Our experience, however, is that changes usually result from more efficient ways of construction being identified and the incorporation of new technologies i.e. changes that improve the design and buildability of the project. In view of Sage, and the regulatory burdens arising from that ruling, there is an urgent need for a new expedient approach to allow minor amendments, which do not give rise to new issues or material considerations, to be considered without the need for re-submission of the whole scheme. At the current time – and we have direct experience of this - many local planning authorities are asking for new applications to deal with minor changes leading to an unnecessary repeating of application processes and significant delays in planned investment actually being realised.
- 3.41 The overall result of this is that the current development control system could be discouraging amendments which would improve the overall quality of schemes (in all respects – not just design, but also their commercial viability).
- 3.42 On another matter the principle of a free right of appeal should be maintained, but the opportunity for a ‘fast track’ appeal on payment of a fee (for hearings and inquiries) could generate revenue and speed up the process. The Review team should also note that any future proposals for third party rights of appeal will continue to be resisted by CSC.
- “9. 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?”**
- 3.43 High occupation costs in England are overall, due simply to limited land availability per se, rather than the land use planning system.
- “10. How does the planning system impact on competition, through influencing barriers to entry and exit and economics or scale? If there are areas where there is a negative impact, how can these be addressed, while protecting other goals of the planning system?”**
- 3.44 Political influences are just as important, if not more so, at restricting competition as the planning system. However, these are often much less predictable. The land use planning system per se is often perceived as impacting by barring entry, exit and economies of scale. It is our view that the planning system should not be used at all to restrict competition in these ways. An approach to development control that concentrates on land use and not operator/ occupier would assist in avoiding this barrier. Unfortunately, the policy approach taken in PPS6 to different retailers’ formats, and particularly to superstores and retail warehouses is unhelpful in this respect. We support the use of convenience and comparison goods expenditure and turnover analyses for assessing need but references in the PPS (in paras. 2.6 and 2.45 for example) to larger format stores are not helpful in this context. Larger format stores are business-driven, and not goods-driven. The warehouse-type and large superstore format could be used to undermine the class of goods approach, to the possible overall detriment of town centres.
- 3.45 We estimate that only a very small and decreasing proportion of total retail sales (approximately 2% is generated from out-of-centre regional and sub-regional shopping centres, compared to 20 times that amount from out-of-centre superstores and retail

warehouses. Our view is that despite the introduction of revised Planning Policy Guidance (PPG 6) first in 1996 and then PPS6 in 2005, the proportion of sales from superstores and retail warehouses has continued to rise. Superstores that once sold predominantly convenience goods are selling ever-increasing amounts of comparison goods and retail warehouses are used more and more for the sale of non-bulky comparison goods too.

3.46 In view of the Government's clear move to a class of goods approach, CSC is concerned that PPS6 makes clear concessions to format-based retailers within the large stores and retail warehouse sectors, especially bearing in mind that it is the smaller centres that are most vulnerable from competition from superstores and retail warehousing. The Government must ensure that there is a level playing field for all retail formats, operators and developers, particularly in the context of defining need and allocating sites for extending primary shopping areas and town centres.

3.47 A further impact on competition relates to PPS6 and its policy towards promoting smaller centres for retail development. CSC supports the principle of encouraging investment in smaller centres but considers that expectations must be tempered in accordance with their realistic potential. Great care must be taken to ensure that appropriate investment in larger centres is not stifled or held back because of a desire to redirect expenditure to other locations, some of which may not be sustainable for the type of investment that is attracted to higher order centres, or capable of accommodating the necessary scale of growth. Higher order centres are the "*engines of growth*" in their regions, as demonstrated by the BCSC research enclosed and referred to above. Growth in lower order centres therefore has to be based on a realistic "*vision*", and be of an appropriate scale taking into account a detailed assessment of their existing and potential future roles. This should include analysis of how roles may have changed historically and the reasons for this. This approach is consistent with advice elsewhere in PPS6 (paras. 2.9 and 2.10 in particular).

3.48 We suggest that the policy approach at all levels towards smaller centres should be that they should be helped, in accordance with their role and based on how that has changed, but this must not be at the expense of stifling investment in larger centres.

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

3.49 This question is not directly relevant to CSC's interests.

"12. 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?"

3.50 The turnover and loss of professional planning staff resources from the public sector is a major issue for meeting the significant demands of the new planning system. LPAs are seriously under-resourced in terms of planning staff with sufficient experience to process and recommend on major applications. It is not always practical to expect the LPA to outsource development control functions and frequently, conflicts of interest arise. However, there should be scope/finances available for outsourcing, with LPAs having powers to recover the costs of doing so from applicants. Outsourcing of development control should only be a short term solution; in the long term there needs to be a focus from central government on reviewing and raising the remuneration of public sector planners.

3.51 Our own experience of building long term and productive working relationships at the local level is that planning authorities are often very keen to work in partnership but are severely

constrained by a lack of resources, both in terms of finances and expertise. It is also therefore considered that if the aims and objectives of PPS6 are to be delivered, without exacerbating the delays that have become a feature of the modern day planning system, then ideally additional resources should be made available from Government.

- 3.52 This concern also relates to the retail planning functions being given to regional planning bodies (RPBs). As stated above PPS6 imposes considerable burdens on RPBs to bring forward regional retail strategies and we are concerned that this task is simply beyond their current capabilities. The resource implications of PPS6 were not properly thought through before its publication and they are beginning to stifle and delay investment, rather than facilitate it. To overcome this problem, the Government through a review of PPS6 could do more to encourage regional and local planning bodies to collaborate with the retail industry and draw upon its expertise in formulating strategy and detailed policies. At the very least, we would still ask that the Planning Delivery Grant is extended for a further three year period. Beacon status could also be used as an incentive to local planning authorities with sound town centre and retail strategies emerging.

“13. 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?”

- 3.53 As stated above, the complexities of the new planning system do not encourage participation.

“14. 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?”

- 3.54 Yes, but this is a matter for local circumstances and, to an extent, individual applications.
- 3.55 The balance between local interests and economic development could be better achieved by reducing intervention by regional/central government e.g. through call-ins.
- 3.56 CSC believes that the majority of economic development decisions can be made at local level, even where the interests of the wider community have to be taken into account. Appeal and call-in procedures (and judicial review) are available if the issues are not properly balanced by decision-makers.
- 3.57 The *“incentive structure”* is however not a clear term and perhaps is a reference to S106 and Planning-Gain Supplement proposals. S106 can be used very effectively to mitigate directly all of the impacts of a specific economic development, whereas there are concerns that PGS would break any link to the economic development taking place. Even if PGS were to be introduced, and the monies levied from an economic development were used to fund strategic as well as local infrastructure, there would have to be a transparent and obvious link with that development retained at the least to the greatest extent feasible.

“15. 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?”

- 3.58 Generalisations about the effects of a particular type of development on regeneration are seen as unhelpful. To strengthen economic performance there is a need for greater local/regional discretion and for decision-making on planning applications to be speeded up.

3.59 A statutory, national planning strategy could help achieve more widespread regeneration, particularly if providing a policy framework for resolving major infrastructure issues.