

## **Provisional responses of Dorset County Council to questions raised by the Barker Review Team**

- 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?**

The planning system has to create the right balance between providing certainty and clarity to the development industry to allow it to make long term investment decisions and bring development forward, and maintaining its currency and responsiveness to changing circumstances. This requires the planning system to be plan-led. The challenge is to be able to deliver a plan-led system that is well evidenced, sound and flexible. This has been one of the main motivations behind the recent change to the planning system.

While the new system is in its early days, it is already evident that it is unduly complicated and procedural, and to a large extent is failing to be speedier and more responsive than the previous system. There is an unrealistic expectation on community engagement (which can be a brake on change and responsiveness) and an awesomely complex variety of plans and documents which no-one can quickly and easily understand.

As local planning authorities and stakeholders become more familiar with the system, the process may with time deliver both the flexibility and speed that is required, although it is more likely that these aims will only be delivered with the addition of extra resources. Further, there is evidence that the current pressures brought in by the new system are acting against the retention of a skilled and motivated workforce within planning authorities at a time when such skills are most needed.

Whilst anecdotal accusations are often made that delays and frustrations with the planning system prevent investment in economic development, planning policies and their operation will only prevent proposals that are poorly located or inappropriate.

The planning system can and does identify land for employment uses. The challenge is bringing forward that land for development. In Dorset, experience shows that there can be a substantial bank of land identified for employment use while, at the same time, businesses report difficulties in finding land for expansion or inward investment. There are a number of reasons for this. First, the building industry needs to be responsive, but potential investors may land-bank options for any number of reasons, including hope value of higher value land uses. The choice of timing of

development may similarly be influenced by the capacity and/or financial considerations of the building industry as much as the demand from potential occupiers. Skill shortages have been cited during past building booms, particularly of construction workers and skilled trades. Also assembling land places a premium on skilled and experienced professional staff on both the developers and planning authorities' side.

Simplified procedures for Compulsory Purchase would assist the planning system to bring forward land, though these would also need to be supported by fiscal arrangements to offset the costs involved.

Other concerns with the planning system relate to the ability of planning to set a policy framework that adequately addresses businesses needs for accessibility. This is seen to be holding back economic and development proposals in both urban and rural areas. Too high an expectation is being placed on developer contributions to bring forward infrastructure improvements, and these contributions are insufficient to address the level of need. Although this frustration is aimed at the operation of the planning system, its cause lies in the lack of government investment in transport infrastructure. A recent exercise on Regional Funding Allocations for the South West demonstrated significant over-subscription of essential transportation schemes compared with the amount of funding available. Current proposals for a planning gain supplement may raise some additional funding and redistribute how that funding is allocated, but do not strike at the heart of the matter.

Dialogue with the business industry has also highlighted other specific concerns. In particular a view that planning policies:

- are often unduly restrictive in rural areas outside development boundaries. Some argue that proposals for small scale offices or workshops could benefit the economy. Use of ICT and quality broadband provision from such locations would allow small high value added ICT based businesses (eg creative industries) to operate internationally, whilst adding to the knowledge based economy in rural areas. Such an approach highlights tensions in the system with regard to the interpretation of sustainability. In particular, there needs to be clearer government guidance on the priorities to be attached to minimising travel, sustaining the rural economy and protecting the landscape. PPS7 needs to be more explicit in these matters.
- do not account sufficiently for 'dirty industry uses' and, in particular, discourage them from mixed use developments. Planning has a role in ensuring that residents enjoy a quality living environment and has traditionally placed such uses away

from residential areas. If the increasing emphasis on 'mixed use' is to continue, further guidance on the location of 'dirty industry' is needed.

- 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?**

This issue cannot be divorced from the complexity of governance in England. There are too many layers, with a wide variety of sizes and types. What is needed is a single sub-national tier of governance at sub-regional level, capable of addressing both strategic and local issues. This would make the planning system more responsive to local needs and more accountable to both strategic and local economic needs. It would address the democratic deficit that currently prevails.

It is doubtful whether Regional Spatial Strategies (RSS) will develop a sufficiently detailed spatial emphasis to take forward the level of local distinctiveness required to set a clear vision and framework for the preparation of LDFs and the coordination of consistent policy in areas with common policy needs. A better approach would be a return to sub-regional strategic planning to set the framework for LDFs. This approach would better be able to bring together strategic thinking with local distinctiveness.

As it currently stands the fears that RSS would lead to a policy deficit, particularly in rural areas, appear to be well founded. Within Dorset the focus of RSS on urban areas has been of considerable local concern.

Furthermore problems of the remoteness or lack of local relevance of the regional strategy has also become evident. As a result stakeholders are increasingly remote and hard to engage in the system. There is already growing discontent that by the time the LDF is prepared, key decisions on the scale and location of growth have already been made. To date the new system has increased the suspicion of local people that their views do not count and that they are unable to influence decisions over their own future. This has been further fuelled by the experience of voting and resource allocation within the region, which favours urban areas, and the accusations that the process is undemocratic.

At the local level the planning system is now heavily regulated procedurally. The content and coverage of policies are also heavily prescribed. Plans and policies are therefore becoming increasingly standardised with little room for local distinctiveness or creativity, yet at the same time are more complicated and take longer to prepare. As a consequence, there are particular fears about the level of business involvement and understanding of the process.

- 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 and the promotion of social cohesion, improving the quality of design of 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?**

Sustainable development is less about achieving “balance” between different objectives and more about finding ways in which all objectives can be achieved simultaneously. In some ways, therefore, the question is misleading and misdirected. That said, there are situations in which choices need to be made about which objectives take priority, and where trade-offs are required. Government guidance on these choices is not always clear, but, in fairness, such choices need to be informed by local circumstances.

A more responsive attitude to the social needs of communities is long overdue. Plans are now more positively addressing the needs of individuals within the community for access to quality housing, employment and services. The movement of plans away from traditional land use planning into spatial planning also has the potential for better recognising the needs of the social inclusion agenda. In these senses, plans are now better placed to address the social element of sustainable development.

With regard to environmental objectives, more effort should be made to achieve “win-win” situations. While some environmental designations (particularly those of international status) may rightly be treated as absolute constraints to development, too often, other environmental constraints are treated as absolute when the effects of development could be mitigated. Further, the process of designation needs to be more open to scrutiny. At present, the process appears as the preserve of “experts” who have no accountability to the democratic process or external review.

However, experience in the South West suggests that the economic agenda is driving planning policy at the expense of other objectives. In particular the emerging RSS is seen to be driving an economic agenda which subordinates any local vision. The need to plan for economically modelled forecasts of growth (see question 6 below)

has led to the subordination of realistic local assessment of housing capacity and the undermining of social and local economic objectives. In particular, there are fears that concentrating development in significant towns and cities with little development of rural employment opportunities will lead to increased commuting from rural areas and further the likelihood of them becoming dormitory towns. At the same time constraining new housing development in rural areas will make the provision of affordable housing more difficult and raises concerns about maintaining and supporting viable market towns and villages. For the significant towns and cities themselves, intensification of higher levels of development within existing urban areas has led to fears of 'town cramming' and concerns that the wrong type of housing to meet the needs of the economy will result. Further, some of these towns, such as the Bournemouth/Poole conurbation, are heavily constrained by international and national environmental designations. A smarter approach to economic growth is needed. This is not evident in RSS, and reinforces the point made earlier about the need for a return to sub-regional strategic planning, where such issues could be properly addressed. To sum up – a narrow focus on one approach to one part of the sustainability agenda will not deliver sustainable communities.

- 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?**

One of the key issues in Dorset is the need to match economic and other development growth with investment in infrastructure. As noted earlier, there is a substantial gap in funding. Lessons from Europe would be useful in this respect.

- 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?**

The potential for the planning system to frustrate business investment is often cited. To date this is largely anecdotal and a convincing case has not been made. Planning has traditionally worked very closely with economic development interests. Indeed most planners, engaged in both policy development and regulation, make great efforts to encourage new business investment and assist existing businesses achieve their potential. Even in areas of considerable environmental constraints, such as AONBs and

National Parks, the need to support the rural economy and ensure quality employment opportunities for local people has meant planners have positively encouraged investment in initiatives such as green tourism, maintenance of traditional landscapes and appropriate scaled businesses. Indeed the quality of landscape is often used as a means of marketing areas either to attract potential investment or to promote local products. The planning system has major role to play in protecting the environmental capital that is used in this way.

These aims will of course continue under the new planning system but are not a consequence of it. Indeed they could be frustrated by the complexity that has been introduced. Arguably the system is much less transparent and responsive to the needs of stakeholders and certainly more difficult for them to understand and engage with (see 13 below). The regional tier is too remote to take account of sub-regional economic needs, while LDFs are too local to be strategic. Local planning authorities may be unduly influenced by the ballot box when faced with difficult decisions such as the need to release Green Belt land for employment purposes. Again, a return to sub-regional strategic planning is the answer.

A concern with the change of emphasis in PPG3 that encourages the release of employment land for residential or mixed use is that it could result in the change of use/redevelopment of sites that give short term opportunities for capital gains, but in the medium to longer term could result in a diminished supply of badly needed employment land. It is unlikely that land will revert back if need increases.

The proposed changes to the way developer contributions are administered through the introduction of a planning gain supplement raises further concerns that this is a way of clawing back locally generated money to central and regional control. It does not address the fundamental issue that there is insufficient funding for infrastructure.

6. **Is the planning system sufficiently 'joined up' with other related aspects of government policy? In particular, are Regional Economic Strategies delivering a clear 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?**

There has been a notable tension between the RES and RSS in the South West. Originally they were to be developed in parallel with consultation under the same timeframes. However the RES has progressed faster than RSS and as it currently stands RES is seen to be driving RSS (see 3 above). Econometric predictions provided

for RES have been translated into simple forecasts for new housing by RSS. Little attempt has been made to assess how economic growth could otherwise be achieved. It is equated to new jobs and net gain of population rather than better efficiencies and new ways of working. Furthermore little account appears to have been taken of the relationship between regions and the net effect of growth elsewhere in the country on the likely pool of economically active people that could or should be drawn in. In the South West failure to attract such people means new housing is even more likely to be filled by retirement in-migration thus creating less balanced communities and a greater draw on resources.

Separate time frames for preparation of regional strategies will inevitably mean that policies and aspiration move apart and there is a need to ensure better coordination in the future. Furthermore both RES and RSS need to be better informed and linked with the Regional Housing Strategy. A common approach and clear vision shared between the three strategies on the factors needed to create balanced and sustainable communities would help. This would also help to resolve evident tensions on the precedence of plans and their differing statutory status. A clearer vision of how regional strategies sit within a national framework would also be beneficial.

- 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 it 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 system to improve its speed and efficiency?**

The consequences of planning decisions have wide ramifications for the community in terms of ensuring development is in the right place and wide ramifications for the environment in terms of protecting environmental capital and ensuring good design. The impact of development is long term, lasting for many generations. It is therefore only right and proper that the emphasis of the planning system should be on the quality of the decision rather than the speed. Development in the wrong place hinders sustainability and/or can have undesirable impacts on residents. Poor design and the creation of degraded landscapes do not assist confidence or the potential for further investment. Whilst the planning system should not burden investors with undue delays, local planning authorities should not be pressurised into making inferior decisions for the sake of speed.

The pressures on local authorities to meet target dates often results in a decision to refuse, since that is the only decision that can be

made if necessary information is lacking. This results in the need for a new application or an appeal, which increases bureaucracy and adds to the costs of both parties. Further, applicants value certainty and a positive outcome over speed.

To help speed the process more help is needed to ensure that planners have the right skills and that planning authorities are adequately resourced. More emphasis is needed on equipping planners with a better understanding of the economics and viability of potential development, and this needs supporting with simple modelling/formula to enable them to make better informed decisions on matters such as developer contributions.

Furthermore, while there is a plethora of guidance available to the development industry on what evidence (and its quality) they should be gathering together to support planning applications (EIAs, travel plans etc), this guidance should be simplified and clarified.

**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?**

No actual evidence of direct costs acting as a deterrent to investment is available to the County Council. Arguably, however, the indirect costs faced by the development industry are increasing significantly. The complexity of the planning system means greater representation and information is required in support of applications, eg EIAs, travel plans, evidence of sequential searching, needs assessments etc. In addition, it is not only those costs to do with the decision making process that are an issue, but the contributions that are already and increasingly likely to be required to fund infrastructure and other works.

The costs in terms of time spent negotiating and the legal support for complex Section 106 agreements could be reduced by using simple standard agreements or planning obligations, linked to tariffs established through the LDF process. Some Authorities are also offering “over the counter” payments for simple standard agreements where the applicant prefers not to use legal support.

**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?**

The County Council is not well placed to know whether occupation costs in England are or are considered to be excessive. If planning

has any part in this it is only to the extent of controlling the use of land to ensure that development takes place in sustainable locations and the environment and communities are protected from unsuitable development. Planning does not seek to limit the supply of land or premises for business use. For the most part, planning actively tries to ensure an adequate supply of land to meet demand despite recent changes to national guidance that make it harder to protect employment land from reuse for housing. As noted earlier (question 1), there is often an adequate supply of employment land, but this is not released for employment use due to external factors. Arguably, the economics that the development and finance industries take into account in gauging supply and demand together with high construction and maintenance costs are much more likely to be a determinant of occupation costs.

In Dorset the rental income that can be derived from employment premises is relatively low. It is often the case that this low financial return can make development of land only marginally viable. Land owners often hold onto land in the expectation of significantly higher residential value. The move towards increasing provision of housing on brown field sites helps to further fuel this imbalance.

- 10. How does the planning system impact on competition, through influencing barriers to entry and exit and economies of scale? If there are areas where there is a negative impact, how can these be addressed, while protecting other goals of the planning system?**

The County Council is not well placed to judge whether the planning system impacts on competition.

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

There is a great deal of confusion about the concept of business clusters, and whether the planning system has any influence over their formation. It may be more helpful to consider the need to encourage the development of particular sectors in order to refocus or achieve better balance in a local economy. To a large extent, the clustering of particular industries is a market activity, and planning policy will have little influence over it. Further, the land use requirements of many industries, whether in clusters or not, may be little different. Even if they were different, unless specifically identified in the land use classes, the planning system does not have the tools to protect land for specific clusters. More important in the development of specific industrial sectors is targeted training opportunities to ensure the availability of a workforce with the right skills. The planning system can assist in this process by making

provision for facilities for education, learning and training, and different scales of employment units, from start-ups to major plants.

Concerning the agglomeration of economic activity, it is questionable whether this is either desirable or necessary. If rural areas are to achieve economic diversification, they must be allowed to take advantage of advances in ICT, which make industries more footloose. The current emphasis on focussing economic activity in cities and major towns is misplaced.

- 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?**

The efficient working of the system is largely dependent on the level of skills and staffing levels within local authorities. The loss of staff and the difficulties of recruitment is an increasing problem. Priorities have to be made on what the workload of available staff should be. This may mean that some issues such as research into sustainable economic development may not be at the fore.

It may be that some staff resource could be released if the development control system were simplified. In particular, removing minor household and other inconsequential development from planning control would enable local planning authorities to redirect staff to deal with more substantial issues.

On specific skills, as indicated in the response to question 7 above, planners probably need a better understanding of the economics and viability of potential development and the skill to be able to negotiate with developers on such aspects of proposals. Training needs to be given to planners to equip them with these skills or more consideration given as to how this resource will be made available to them.

- 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?**

Stakeholder engagement generally has become much more difficult by the complexity of the new process.

As mentioned in the response to question 2 above, RSS seems remote for local interests to engage with yet sets the framework for local delivery. As a consequence stakeholders are not making their views known at the right stage and are missing their opportunity to influence the plan making process. On the other hand, where

interested parties are persistent enough to engage with the RSS process this has the effect of stakeholders engaging with officers who do not have the time or the level of local knowledge to resolve a multitude of issues from around the region leading to further frustrations of stakeholders with the process. This yet again illustrates the need to return to sub-regional strategic planning, where meaningful engagement of local economic interests and businesses can successfully be achieved.

At the local level it is still early days to assess whether the notion of frontloading in the LDF process is clear to stakeholders or whether they will engage at the appropriate time. Experience to date has shown that even reasonably well informed development interests are finding the new system hard to understand. The County Council is therefore yet to be convinced that engagement will be effective. Certainly on both the plan making and regulation process the development industry are now increasingly relying on higher levels of consultancy assistance to help them through the process, and undoubtedly this will have the effect of both increasing their costs and making them feel more removed and less able to resolve issues through personal dialogue. Smaller business, on the other hand, do not have the resources to commit to engagement largely due to staff time and lack of cover and are much less likely to be able to afford professional representation.

**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?**

This is an important issue which the government will need to consider. Certainly the current emphasis on community empowerment through strategic partnerships, community and parish plans have raised aspirations and there is considerable scope for tension with the planning processes. There needs to be much better linkage between physical development and investment in infrastructure, with much more local control over the raising and spending of finance.

**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?**

The planning process is about bringing forward and regulating the use of land. In doing this it can serve the needs of economic development. However, to do it effectively it must be able to better influence and ensure that adequate infrastructure, particularly roads is available. It also needs to ensure that housing and employment needs are planned together. For many parts of the country this

means that houses are affordable and this will certainly also be an issue for potential employers. In areas where affordability is a critical issue it is unlikely that the planning system alone can deliver sufficient affordable houses through developer contributions. Greater central funding is necessary. The key worker policy also needs to be reviewed to ensure that it is more widely applicable and that definitions of key workers are more appropriately tied to the needs of both the community and new business.