

From: Hughes, Jennifer (UK - England) [Jennifer.Hughes@lasalle.com] on behalf of Bull, Andrew (UK - England) [Andrew.Bull@lasalle.com]
Sent: 24 March 2006 15:31
To: Review, Barker
Subject: BARKER REVIEW OF LAND USE PLANNING - CALL FOR EVIDENCE

Dear Madam

LaSalle Investment Management (LIM) are managers of Kent Science Park, Sittingbourne, Kent; The Wilton Centre (Teeside) and the Langstone Technology Park (Hants). LIM are therefore well placed to comment on the interface between cluster development and the planning system and here draw mainly on experience at Kent Science Park (KSP) located within Thames Gateway.

KSP is a business cluster in its own right and in the wider South East regional context of the pharmaceutical, bioscience and ICT cluster networks. It is a regional centre for innovation, entrepreneurship and competitiveness, an Ethernet Point of Presence and regional centre for bioscience learning.

Originally a Shell Crop Research Centre, since 1996 it has developed into a cluster of 85 companies and perhaps the most successful location of any SEEDA Enterprise Hub. SEEDA, Locate in Kent, the North Kent Area Investment Framework, the Swale Economic Development Strategy and the Swale Forward Interim Regeneration Framework all focus on KSP as the means of expanding and diversifying the local economy. The emerging Kent and Medway Structure Plan and the Swale Borough Local Plan are only slowly coming to terms with the opportunities presented by KSP.

KSP is therefore at the cutting edge of tomorrow's knowledge economy where entrepreneurship, innovation, competitive and increased productivity will deliver growth and increased prosperity in response to the challenges of globalisation. Experiences at KSP illustrate how planning policy and procedures could better deliver economic growth and prosperity alongside other sustainable development goals.

General lack of understanding of cluster development. The planning system generally has little or no understanding of cluster development. Few development plans consider explicitly the needs of clusters, nor do they recognise the special role of clusters as a tool for ensuring economic growth and competitive advantage at the national and regional level. There is little understanding of their particular dynamics or the essential need for flexibility for property management within clusters. Our experience is that planning authorities are reluctant to treat science parks as a special case, attitudes being similar to those for normal industrial estates or business parks.

Planners fail to appreciate that clusters are formed as a direct response to market forces and it is not possible to create clusters where the basis of a cluster does not exist. Research (Sainsbury Report) indicates that attempts to establish business clusters in such circumstances are almost certain to fail while the DETR Research Report 2000 (Planning for Clusters) highlights general agreement in the literature and elsewhere that public policy cannot create clusters from scratch [para ES2.5].

It is for these reasons that, in our view, business clusters should be dealt with by the planning system as a "special case" (in part it is for such reason that RPG9 refers to the expansion of existing clusters rather than the establishment of new facilities as per se).

Greater awareness of the attributes and dynamics of clusters and their potential contribution to local, sub regional, regional and national competitiveness is required particularly amongst the planning profession.

PPS advice about clusters is outdated and inadequate. A review and replacement of PPG4 is long overdue. Recent discussions with ODPM indicate that the most up to date advice on clusters is given in PPG11 (sic) now cancelled. Otherwise, the most relevant up to date advice is found in the footnote on page 40 of PPS11 (saved from PPG11).

Replacement of PPG4 with up to date information and advice on cluster development is urgently required.

The planning system is reluctant to come to grips with cluster development. At the Examination in Public of the Kent and Medway Structure Plan in September 2004 we promoted a major expansion of the Science Park as (at least) part of the solution to the deep seated structural economic problems of the Sittingbourne/Sheppey part of Swale. The seriousness of these problems was reflected in the designation of the area as an Intermediate Assisted Area in the mid 1990's. However, whilst acknowledging the regional importance of the Science Park to the economy of Swale and Thames Gateway, the EIP Panel "passed the buck" instead passing the issue of major expansion to the RSS. This will delay the major expansion of KSP by at least 2 years. Whether the Panel's reasons for obfuscation were due to a lack of understanding of cluster development or the scale proposed at KSP is immaterial in the context of the lost contribution of the Science Park to the diversification and competitiveness of the local and Thames Gateway economies during that period. Had the Panel fully understood the potential contribution of cluster development to competitiveness etc, in our view they should not have passed over the issue to the RSS.

Emerging RES appears bland and provides inadequate steer to the RSS. Whilst SEEDA are fully appreciative of the attributes and dynamics of KSP and have supported a Regional Enterprise Hub at the Science Park for many years, the emerging RES gives insufficient weight to the potential of cluster development and, doubly important, is non specific in identifying the key locations for such development in perhaps one of the most economically backward and deprived parts of the South East region, ie Thames Gateway and Swale.

The RES must better inform the RSS of the key locations for cluster development within the South East region and Thames Gateway in particular, bearing in mind that future cluster development must be based on the expansion of existing clusters rather than planned allocations from scratch.

"Strategic policy deficit" and "locational specificity". National planning policy in paras 1.13 and 1.16 and 1.17 of PPS11 do not provide a satisfactory basis for the identification of clusters at the strategic planning level. On the one hand, the second element of para 1.13 (above) refers to sub regional definition being based on a clearly recognisable "strategic policy deficit" which cannot be adequately addressed by general RSS policies or by LDD's on their own. On the other hand, para 1.16 is clear that RSS must not identify specific sites as suitable for development and indeed SEERA considers such identification to be "not helpful". Consequently, faced with general RSS policies only and the lack of understanding and commitment to clusters at a local level (in LDD's) the strategic policy deficit becomes reality. It must be remembered that cluster development occurs as a result of natural market forces and their benefits can be secured only by expansion and encouragement of existing clusters (rather than new allocations) consequently there can be little difficulty in creating a special case and giving priority to the identification of key cluster development in RSS.

Existing cluster development tends to be located in relatively "sensitive" areas. Most of the locations identified for knowledge and technology industries in the emerging Kent and Medway Structure Plan Kent are based on former government or private sector research

facilities, many of which are located in relatively sensitive locations. By “sensitive” we mean environmentally sensitive locations be it Green Belt, AONB, ancient monument, Special Landscape Areas etc. Generally, these locations tend not to be particularly accessible or sustainable in a PPS1 sense but yet they are and will be key drivers of the South East economy - critical to innovation, entrepreneurship and competitiveness.

In our view unless expansion of such established cluster development will cause irreparable harm to environmental designations of national or international importance, then priority should be given to their expansion.

The planning system is not capable of responding sufficiently quickly to the special dynamics of clusters. A particular example at KSP demonstrates this point. A small pharmaceutical company located at KSP had been undertaking confidential research under Home Office licence. LIM, in anticipating the expansion needs of the company submitted an application to accommodate those specific needs onto land beyond the existing confines of the Science Park. Albeit greenfield land it was of no ecological value, was not located in a conservation area, not located in Green Belt, not located in a Special Landscape Area or any other countryside designation and there were no archaeological issues. Whilst the Local Planning Authority supported the application, because it was a departure from the Development Plan it was referred to the Government Office who promptly called-in the application for PPG7 and 13 reasons.

Generally, SME's located within clusters in high technology knowledge driven sectors expand at exponential rates. Often, the only time these companies come in contact with the planning system is at the point at which they wish to expand, often stepping up from pilot scale to primary scale manufacturing. At this point, management time needs to be focused on the requirements of the business rather than fighting the vagaries of the planning system.

The normal time horizons involved in the planning system bear no relationship to that of fast moving knowledge driven companies. In our view, priority must therefore be afforded to knowledge based cluster development and to organisations within and a regime akin to an “enterprise zone” or “simplified planning zone” suggests itself.

The limitations of the public inquiry process constrain cluster development. Further to the example of the planning application for expansion called-in by the Government Office and referred to above, that company was undertaking confidential research under Home Office licence. Bearing in mind that the proposal was put forward based on the particular needs of the company extensive discussions took place with the Planning Inspectorate as to how such confidential information could remain confidential through the call-in/inquiry process. The Planning Inspectorate could give no undertaking whatsoever and thus the applicant had no alternative but to withdraw the application. As a result, significant additional employment in the biotech sector in Swale was lost.

Engaging with the Highways Agency. Despite the identification of Kent Science Park as a regionally important cluster and thereby, as a minimum, a sub regional priority for investment including supporting highway and housing provision, attempts to engage with the Highways Agency over new access to the Science Park from the M2 motorway has been extremely difficult. Although the ODPM via the Sustainable Communities Programme provided Swale Forward (the implementation Board) with £300,000 to investigate the feasibility of a Sittingbourne Southern Relief Road associated with the expansion of Kent Science Park, the Highways Agency was extremely reluctant to engage and respond positively and constructively in that process. It was only following dialogue with Mr Tony McNulty MP (then Minister of State for Transport) that a dialogue with the Agency was established. Even now, the Agency is reluctant to continue that engagement.

In our view, the Highways Agency should give priority to cluster development, particularly within the growth areas, whether or not a sponsoring project yet has the full recognition of Development Plan policies.

Undue weight is given to environmental issues over economic need. In Swale, a significant proportion of the Borough is subject to some form of environmental designation be it the North Downs Area of Outstanding Natural Beauty, the Kent Downs SLA, the North Kent Marshes SLA, the Swale SSSI/RAMSAR/SPA and the Medway Estuary and Marshes SSSI/RAMSAR/SPA. In addition, much of even the built up parts of the Borough are located within a high flood risk area. Notwithstanding these extant designations, and notwithstanding the advice in PPS7 that local countryside designations should not be maintained or extended without rigorous justification, in its Local Plan Review the Council seek to add additional layers of countryside designation in the form of “strategic gap”, “countryside gap”, “SLA extensions” and “AHLV”.

Whilst accepting that KSP is located within attractive landscape, the Council’s Landscape Character Assessment does not identify the landscape as “special” yet the Council seek to virtually “box-in” the existing KSP with these new and extended designations. The Council’s approach is ambiguous seeking expansion of KSP for employment purposes on the one hand yet boxing it in with environmental designations on the other.

Simply, the “environment” verses “employment” balance is wrong. The over zealous use of countryside designations runs the risk of constraining cluster development of vital importance to the local and regional economies.

Recent reforms of the English planning system do nothing to assist cluster development. The plethora of emerging DPD’s provides a mesmeric hurdle for SME’s coming into contact with the planning process for the first time. No longer will it be possible to identify relevant policies in a single document. Conceivably, there may not even be any policies relating to clusters and as stated earlier, with few exceptions DPD’s do not recognise cluster development.

In our view, the planning system should go further and give greater priority to knowledge driven cluster development, perhaps in the form of enterprise zones defined through the Area Action Plan approach.

Proper cluster development seeks to insulate embryonic companies and SME’s from the burdens of the planning system. KSP generally, and the Innovation Hub in particular, have been highly successful in nurturing new and expanding companies utilising the property assets provided by the former Research Centre facilities. With a single exception, no company has yet had recourse to the planning system. However, now that existing buildings are nearing full occupation, expansion of the Science Park beyond its existing security fence boundaries is necessary. What planners fail to appreciate is the personal drive, motivation, entrepreneurship, tenacity etc to drive forward a new small business taking account at the same time of health and safety regulations, employment law etc. A battle with the planning system is the very last thing that these companies need. Instead, expansion of the cluster as a whole is required to enable and foster growth and expansion within.

Significant housing to support cluster development. A range and choice of good quality housing is essential to support expanded cluster development. The limited guidance on clusters in PPS11 supports this concept as well as the need for transport and other supporting infrastructure. In its response to SEERA, SEEDA likewise highlights the importance of sufficient housing of appropriate quality to support economic growth generally and we would highlight the need for policies at RSS as well as LDF level to support the needs of employers and employees as well as higher order skills needs and other infrastructure investment.

On behalf of LaSalle Investment Management I commend the above comments to the Barker Review and should there be any queries or further information required then we would be pleased to assist.

Yours sincerely

Andrew Bull
European Director
LaSalle Investment Management

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