



29 MAR 2006

Best Western

THE

BURN HOW

Garden House Hotel

26/3/06

(Handwritten initials and number 178)

To Mr. Hugh HARRIS

The BARKER REVIEW

Dear Hugh,

Thank you for your hospitality last week. I enclose the documents I promised as evidence to the BARKER REVIEW, on behalf of the SMALL BUSINESS COUNCIL

I wish you and the team success in your Review of Planning and hope that we have many reforms as a result.

Yours sincerely,

Michael J. Robinson



Michael Robinson

Small Business Council

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Fine Food

Bowness-on-Windermere
Cumbria LA23 3HH

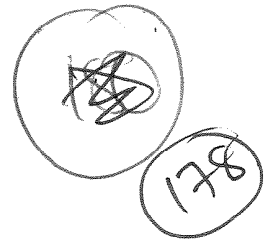
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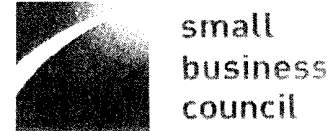
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Ms Claire O'Shaughnessy
Committee Specialist
Parliamentary Select Committee on ODPM



29 November 2002

DRAFT

PLANNING CASES - CUMBRIA

Dear Ms O'Shaughnessy

PLANNING, COMPETITIVENESS AND PRODUCTIVITY

The Small Business Council would like to submit the following memorandum in order to aid the Select Committee's inquiry into planning, competitiveness and productivity. The Small Business Council was set up in May 2000 as a Non-Departmental Public Body that:

- Reports to the Secretary of State for Trade and Industry on the needs of existing and potential small businesses in order to increase their opportunities for success and growth;
- Advises the Chief Executive of the Small Business Service; and
- Advises and reports on the effects on such businesses of the activities and potential activities of government including the Small Business Service itself.

The Chair of the SBC is William Sargent, who took on an enhance role in February this year as the 'independent voice for small firms'. He attends the Ministerial Panel on regulatory accountability and has direct access to the Prime Minister to discuss small firms matters. The Council consists of 23 members. One of our members is Michael Robinson, the proprietor of the Burn How Hotel, Bowness-on-Wideremere, Cumbria LA23 3HH. The attached submission at Annex A is based on feedback Michael has received from local Cumbria businesses.

Yours sincerely

Sarah Anderson

Chair, SBC Regulation Sub-Group

ANNEX A

Small Businesses and the Environment in Cumbria

The National Park Authority

The Lake District National Park Authority is managed by an unelected body of people who appear to be pre-occupied with environmental issues at the expense of the economic sustainability of the region and welfare of the people who live within the National Park. A recent DEFRA report states that LDNPA's remit includes sustaining the National Park in economic terms. LDNPA needs to maintain a clear focus on delivering results within the National Park – economic results as well as the protection of the environment.

Employment

Although much of Cumbria is picturesque and has many advantages, it is currently an area of low unemployment, and companies are finding it increasingly difficult to recruit staff. This is partly a legacy of the recent Foot and Mouth disease outbreak where workers left the area and have not returned, but is also exacerbated by low rates of pay – particularly in the farming, hospitality and catering sectors. The low rates of pay are not just a disincentive to employment, but they are creating a widening gap between incomes and housing prices. There is a significant need for more workers in the area and we need to find ways of getting them. We need to consider options such as:

Bringing in more workers from outside the county.

Bringing in workers from overseas.

Housing

We need to provide more affordable housing for workers and for young people in general within Cumbria. Affordable housing is required to make sure that local people are encouraged to remain in the area and are not priced out of the housing market by rates of pay that are below the National Average and by the high demand (from people living outside the County) for second homes within the National Park. Acquisition of second or holiday homes is currently encouraged by subsidising Council tax.

Tourism and the Rural Economy

Tourism in Cumbria is worth around £1 billion per year to the county's economy. This represents almost a fifth of the county's GDP. Tourism supports almost one quarter of all jobs in Cumbria – 90% of all tourism based businesses employ 10 or fewer staff.

Roads & Transport

The rural nature of Cumbria dictates that the transport infrastructure will always be less than ideal. However, considerable investment is necessary to improve the infrastructure from its present level. Road and rail access both need to be improved.

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The overall capacity of the transport network needs to be increased in order to cope with the desired continued growth in Tourism.

Communications

Central Lakes = 'Broadband Exclusion Zone' – limiting opportunity for many technology based small businesses to compete on a level playing field.

CASE STUDY 1

THE CUMBERLAND PENCIL COMPANY FACTORY DEVELOPMENT PLAN

Background

The Cumberland Pencil Company is an SME located in Keswick, manufacturing and distributing high quality art materials via specialist distributors. 65% of the output is exported to 74 countries around the world.

Production is based in a Victorian 3-storey mill building and a separate single storey unit. There is also a visitor attraction (Pencil Museum) on the 6-acre site.

The company needs a modern single storey-manufacturing unit to house all the production functions, in order to reduce cost, and improve efficiency and competitiveness.

Proposal

In 1999, plans were drawn up to sell the site to a local development/construction company, who would build and lease back a new production facility. The old mill building would be converted into a range of uses, including a retail unit for Lakeland Limited, a new location for the Pencil Museum, various art and craft workshops and galleries, and office space or residential apartments on the top floor.

The total scheme costing in the order of £5 million, would expand the numbers employed on the site from 100 to around 140 initially, and would safeguard the future of the company in Keswick.

Outcome

After much debate and negotiation the scheme was finally refused planning permission in September 1999, on the basis of loss of industrial building, introduction of retail into an industrial estate, and conflict between vehicles and pedestrians.

Repercussions

As a result of this refusal the company was forced to transfer 25% of its production to the Far East in order to reduce costs and over 20 jobs were lost.

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The company is still struggling to overcome the disadvantages of the 3 storey, split-location buildings, and is desperately in need of modern facilities.

CASE STUDY 2

LAKELAND LIMITED – Extension to the Kendall Distribution Centre

1994 Lakeland obtained planning permission for new 150,000 sq. ft. Distribution Centre on land at Westmorland Business Park to be constructed in a number of phases.

1995 Phase 1 is completed and occupied

1997 Phase 2 and 3 completed and occupied.

1998 It became obvious to us that growth in the business was exceeding our expectations and that we might continue to grow at 20% per annum as we had done for the last 10 years. Therefore whilst we had planning permission for the next phase of building we needed to purchase more land for further expansion. We therefore acquired options with the adjoining landowner to acquire approximately 10 acres of land subject to planning permission being granted.

We made a planning application, after lengthy consultancy with SLDC, to extend the site onto adjoining land. The planning application was rejected by SLDC because we had requested the closure of Gilthwaiteyrigg Lane in order to allow us to create a contiguous site. We accepted the view of SLDC - the application was the best option for our Company - however, we appreciate that the closure of the lane is an environmental and historical issue.

We then made a second application for the same sites based on not closing the lane but building a bridge across. This was accepted by SLDC but rejected by Cumbria County Council (CCC). CCC had to be consulted as the land was outside Kendal Town Plan. We held meetings with CCC officers to explain our needs and to understand their concerns. They seemed to have a view that we should be moving into the North and West of the County but the reality was that we should and would have been more likely to move South. We thought we had demonstrated that our growth and commitment to South Lakeland made it essential that we were able to grow the business on site.

A committee of CCC held a meeting and unknown to us our development was added to the agenda. The objections were stated as

- The car parking was excessive
- Environmental concerns about building over the flood plain
- Impact of the buildings

The car parking detailed in our application is substantially less than the council guidelines. We also demonstrated that our transport policy included running at least 6 mini bus journeys to and from the site and providing substantial cycle facilities.

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The buildings we requesting planning permission for will not be on or over the "flood plain". We already had planning permission approval for the building on the flood plain. This building is designed to be built over and above the flood plain and constructed on stilts to allow the floodwaters to flow underneath.

We cannot assess the impact of the scale of the building. What we can say is that almost all of the buildings in the application before CCC were well shielded by other buildings or substantial landscaping projects. This was very clearly demonstrated on plans that were submitted and SLDC had put significant emphasis on this. The previous phases received praise, for the way in which we had assisted in the reduction of the impact of the buildings on the landscape by careful selection of materials.

There was speculation that our business wouldn't be able to create the business growth needed to fulfil our plans. We know our plans were substantial but we had demonstrated our growth history and we had been encouraged by SLDC to submit a long-term vision for the Company. We exceeded our estimated sales target for 2003 in 2001 and recruited in excess of the number of new jobs estimated in the application by 2002.

The application was therefore referred to Government Office for approval. By the time the application had been considered, well outside the stipulated timescale, it was almost 2 years since our application for planning permission had commenced.

We operate in a commercial world and we have competition. We don't believe that these competitors face such delays; they are usually placed more conveniently to the transport network and in areas of substantial unemployment and lower cost. Our desire was to retain a homegrown Lake District business in the area and to provide continuity of employment for a loyal workforce. As the delays went on we had no choice but to actively pursue other options, which amounted to the relocation of all our distribution to another part of the country. We identified two suitable sites South of Manchester and one just off the M40 that had both adequate buildings and land. We were within a matter of a week of making the decision to move when we were granted planning permission.

We believe that the decision to reject our application by CCC was politically motivated one. It has soured our loyalty to the area. The delay almost allowed our business to move from the area. We currently turnover almost £100,000,000 and employ over 1,000 people. We invested over £10,000,000 in capital building projects in Cumbria last year. We are the second largest visitor attraction in the Lake District and probably the largest business that is owned and operated from within the adjoining to the National Park.

Case Study 3 - W McClure Ltd

W McClure Ltd is located in Windermere in the heart of the Lake District. It has been operating for almost 60 years. McClure's operates as a regional food wholesaler, serving the catering trade and specialises in regional products. It is small to medium sized business with 75 employees. Turnover has doubled in the last five years and is

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expected to double again in the next three years. The business is located in a residential area of Windermere. The current site is no longer suitable. The demands from our customers are changing and in order to satisfy these requirements the company needs to operate 24hrs per day. However, because of our town centre location the local authority has imposed severe and restrictive conditions in our Operating Licence, which does not allow a move to 24hr working e.g. delivery lorries cannot start early in the morning. Therefore, we are looking to further invest in the region by relocating to larger, purpose built premises. Some considerable time has been spent in trying to find a suitable site, but so far without success. There are no sites available that are of an appropriate size.

The local planning authorities and LDNPA appear determined to base their business land development programme around micro businesses at the expense of larger companies. Far too often when a suitable site for business use is found, it is only made available for development into several small units. The policy is driving larger companies outside the area. Planning regulations within LDNP are particularly stringent and this leads to increased costs when building new business premises.

Whilst small businesses are important to the community, the contribution made by larger companies to our rural economy should not be ignored as it is at present. The long-term economic well being of Cumbria (which includes the National Park) depends on finding an appropriate balance between micro / small and larger businesses.

More help is needed from government and from local authorities for larger businesses to help them achieve continued growth – help in the form of grants, investment to promote tourism, policies designed to support local industry etc.

PLANNING GUIDANCE AND THE PLANNING SYSTEM IN ENGLAND

Introduction

1. The Office of the Deputy Prime Minister invited the Small Business Council (SBC) to contribute to revisions to the guidance booklet *Planning Permission: A Guide for Business*, to put forward its views and opinions on available national and local planning guidance, and to comment generally on the current planning regime in England.
2. This paper sets out the views and opinions of the 14 SBC members who responded to a questionnaire distributed by their Environment, Rural and Tourism Interest Group. Although this exercise related to England only, contributions from SBC members in the devolved administrations were also invited.

Summary of key findings

3. The guidance booklet *Planning Permission: A Guide for Business* was clear and concise but, nevertheless, it would benefit from being re-written and updated. In particular, the new edition should include a new "How To" section to explain the purpose of the planning system and it should set out a step by step action plan that small businesses could follow. The new booklet should also be advertised and promoted more widely than the current version, and be made available in a number of different formats and languages.
4. There were no observations on national planning guidance, although local guidance and planning officers should be more accessible.
5. The planning system in England is costly and time consuming for small businesses, and although aspects of the proposed planning reforms are appropriate to small businesses, the system is still too slow and complicated. And there remains a need for greater access to free pre-application dialogue with planning officers, who themselves need to be more responsive, receptive and understanding of small business needs. A tribunal type system for determining small business planning applications should also be considered.

Planning Permission: A Guide for Business

6. Generally, the comments were favourable with a majority of respondents saying the booklet was clear, concise and easy to understand. A small number of responses said the booklet was rather simplistic and tended to ignore what actually happens in their experience of the planning process.
7. Overall, the general consensus was that the booklet appeared to be a little dated and would benefit from revisions and updating to better reflect current guidance and procedures.

N.B. Recommendations
on Pages 4+5 Paras 24/26/27 + 29.

8. The SBC had a number of specific comments relating to the content of the current booklet, which it would recommend that the ODPM addresses in a new edition:
 - The booklet would benefit from a glossary of terms (e.g. curtilage, development plan, use classes etc.)
 - The references to other sources of information is limited and should be expanded and improved
 - There should be more information available on extensions to existing premises – the booklet explains, in general terms, the scenario for factory or warehouse extensions, but is silent on the situation regarding offices and other commercial premises, such as shops
 - The booklet might usefully include a general paragraph that sets out what local planning authorities might reasonably expect from small businesses in the economic and business development of their area
 - The new edition should be available in a number of different formats and languages – there is no indication that the current edition is available in alternative versions
 9. The SBC would also like to see a “How To” section included in a new version of the booklet. The SBC envisages this section explaining the purpose of the planning system and setting out a step by step action plan that small businesses need to follow in order to start the planning application process. The SBC believes that it is particularly important for this section to recommend that every small business requests a pre-application meeting with their planning officer, and then set out a number of typical questions that a small business should consider asking at that meeting.
 10. In this respect, the SBC considers that all or some of the following questions should be recommended, depending on the circumstances of the application. This list is not exhaustive, however:
 - How do I start the process?
 - What information will you need?
 - What guidance is available?
 - What further sources of advice and guidance are there?
 - Will I need independent help and advice?
 - If so, where can I obtain this?
 - What is the Council's role in economic development?
 - What is the Council's policy for economic development?
 - What are the Council's economic and business development objectives?
 - Does the Council help small businesses achieve your economic and business development objectives?
-

- Does my proposal meet the requirements of the local development plan?
 - Can I build/undertake the required work in the area proposed?
 - Does the Council have any future plans the road/area that could impact on my proposal?
 - If my application is successful, what might be the impact on the rateable value of my business premises?
 - How much will an application cost?
 - How long will it take to determine my application?
 - What happens if things go wrong, or if my application is refused?
11. The SBC would like to see ODPM, planning officers and the new guide better promote the existence of Planning Aid, the free, independent professional advice service. This recommendation is made against the background that only 2 respondents (14%) had heard of this service. In both cases, awareness was not as a result of ODPM or planning officer guidance.
12. Should the ODPM accept the SBC's recommendation for a new planning guide for businesses, it is strongly recommended that the existence of the new guide is better advertised and promoted than the current version. There is a role for both the ODPM and planning officers here. This is prompted by the rather worrying revelation that not one of the respondents was previously aware of the current booklet.

Existing planning guidance

13. SBC members were also asked to give their opinion of the existing planning guidance, and in particular whether the guidance was considered to be sufficient and helpful. In this context "guidance" was deemed to be national (such as Planning Policy Guidance notes or Planning Policy Statements) or local policy guidance.
14. All comments received were in relation to local guidance, suggesting that national guidance was either meeting small business needs or had not been used or accessed by them.
15. Almost two thirds of respondents offered no view or said their local planning guidance was sufficient for the purpose. This is a welcome response.
16. However, the remainder of respondents (just over one third) said that local planning guidance was neither accessible nor actively offered. In addition, these respondents noted that planning officers appear to be frightened to commit to anything to the extent that a culture is developing whereby "advice" is "submit an application and we'll advise you further.". This is not what small businesses need from their planning officer.
17. Also, those dissatisfied with their local planning authority said professional help was the best way to access the advice and guidance needed to negotiate a
-

complex system. But this makes the planning process even more costly and inaccessible for small businesses.

The planning regime in England

18. For the purposes of this section of the paper, only the 10 responses from SBC members with businesses in England have been used.
19. 60% of these respondents said that the existing planning system is not business friendly. The remainder had no experience of the planning system.
20. Half of those responding said that they had been deterred from submitting an application because of concerns over the time it takes to prepare and submit an application for planning permission, and the subsequent diversion of administrative resources this requires. And, as mentioned earlier in this paper, hiring professional help was costly for a small business. Half the respondents said the planning system was too time consuming and bureaucratic, and in two instances delays in the consideration of a proposal led to delays in the establishment of the business. In the light of this, some said that it was not unreasonable to regard the planning system as a barrier to growth. It might also be concluded that the system could be deterring new businesses from starting up.
21. On a positive note, half the respondents considered that the planning reforms now underway will, in the long run, benefit business.
22. Although time and bureaucracy were the key concerns for respondents, they also highlighted a number of other issues that merit a mention. In particular, these centred on an apparent attitude by many planning officers to deter rather than assist, leading small businesses to conclude that the system as a whole is all about controlling growth rather than helping growth in a sustainable manner.
23. Half of those responding perceived an apparent unwillingness by planning officers to engage in pre-application dialogue, or to offer constructive, helpful advice. It was suggested that this was because planning officers feared recriminations later in the process.
24. There was also unease that because small business planning applications are considered at the same time as domestic applications, the business application may not be afforded the due consideration it deserves. And the fact that elected councillors sit on planning committees and determine small business planning applications was also a cause for concern. In this respect it was suggested that business applications should be considered in a business context, with experienced business people sitting on planning committees. A format similar to tribunals, comprising a decision panel with business expertise, was proposed for the consideration of business planning applications.
25. The tribunal proposal would address the perception that some councillors were more interested in pursuing their own political agenda, whilst others may easily be swayed by pressure groups seeking to influence the planning process. It might also address a concern that was raised by half of those responding, that they were

aware of planning decisions affecting small businesses that were not consistent with the local development plan. And it would avoid ill-informed, ill-judged decisions.

26. On timing, it was thought that that some consideration should be given to allowing an experienced planning officer to determine smaller, routine, business applications within 7 days, and without referral to a planning committee. It was felt that this would help to speed up the planning process and go some way to changing the current opinion small businesses have, namely that planning authorities have no sense of time or urgency in business matters.
27. A number of sources of advice and information say that pre-application dialogue between applicants and planning officers should be encouraged. However, respondents were unable to confirm that planning officers were setting aside time for dialogue. A need for greater access to planning officers, and in particular pre-application dialogue, was the most popular issue raised (by 86% of respondents). The view is that local planning authorities are too busy meeting targets to meet applicants.
28. In this respect, the SBC requests that ODPM discourages the current trend by certain planning authorities to use powers available under the Local Government Act 2003 to charge for discretionary activities, such as pre-application dialogue. Pre-application discussions can address and resolve potential problems informally, and therefore bring benefits to the potential applicant and the local planning authority. Introducing charges does not promote a positive planning culture, it will deter even more small businesses, and will be regarded as anti-growth.
29. Finally, SBC members were asked to set out their three priorities for change in the current planning system. Based on all responses and with a simple weighting applied to each issue according to the priority afforded it by each respondent, the top 5 recommendations for change in the planning system in England are:
 - Quicker/speedier application and decision process
 - Simplify the planning process
 - Pre-application advice to be more readily available, and at no cost
 - Planning officer attitude towards business must change
 - Change the decision-making process for small businesses
30. These priorities do not change when the key issues for change listed by respondents in areas covered by the devolved administrations are added to those for England, suggesting these are issues for the UK planning system, and not just confined to England.
31. The priorities for change suggest that aspects of the reform proposals are appropriate for small businesses, but that more needs to be done. For example, improving the planning system in England will also require better focusing of effort by local planning authorities and a more responsive, receptive and understanding attitude from planning officers.

Sept 18th 2005

To Barry Gardiner Minister of State for Competitiveness at D.T.I

AFTER VISIT TO

WINDERMERE
SEPT 2005.

The Lake District National Park is a treasured national asset. Its success and wellbeing are vital to everyone who lives here.

The National Park Authority suffers from many flaws that impede its effectiveness to fulfil its potential. The National Park Authority seems to have an agenda that places little value on the concerns of those who live and work within its boundaries; not surprisingly this engenders lack of trust. Local knowledge can often be best used to find solutions to local problems.

The National Park Authority needs to listen, to understand and to work with the local communities

The lack of effective consultation deprives Board members of information, which could then sensitively and efficiently direct National Park policies. This, combined with an absence of two-way communication, leads to an Authority that is widely perceived to be authoritarian, uncommunicative and isolated. The chief officers and Board of the NPA have great power within our community and it is essential that they become locally accountable. A National Park Authority that has an established culture of non-communication, and is seen to be driven by an agenda that ignores the economic impact of its policies, is not the most effective way to protect this unique area.

Tourism is the vital industry to support the future well being of the Lake District and the Cumbrian economy. The National Park houses a living working community, with businesses which are striving to provide full time, properly paid year round employment.

It is essential that the working definition of the term 'environment' be extended to include the inhabitants of the area, and their way of life. Too often a narrow definition of the environment precludes people and their activities in favour of the abstract idea of a landscape without people.

The tourism industry, sensitively and responsibly managed is the only long-term solution which will provide funds for protecting and conserving the environment, for providing a long-term future for the inhabitants, and for keeping the landscape for future generations. Only a healthy economy can protect and support a healthy environment.

The Lake District National Park has recently received two highly critical reports from the Audit Commission scoring no points whatsoever.

In April 2005 a Performance Assessment Report by a peer group from other National Parks (supported by DEFRA) also reported very unfavourably. Of particular concern was a £3.5 million project so badly conceived and managed that it had to be abandoned at a cost of several £100,000's

Many useful recommendations were made in the Performance Assessment Report, which we hope will be followed up. However, and very worryingly the panel found that there was "a lack of leadership, a complicated staffing structure, poor internal

communications, and a breakdown in trust between members, senior management and staff" It is clear that swift and effective action is now needed.

It is increasingly evident that all sectors of society depend on each other for economic success, and so it is essential for the National Park to have improved relationships with the statutory authorities in Cumbria, with the private sector and with the other agencies and voluntary bodies.

The NPA'S Board is perceived to be a self-perpetuating oligarchy. Members are not directly elected, and they do not report locally. Some have served for over extended periods, some in excess of thirty years.

The NPA is clearly in need of a structural overhaul. This should be undertaken by O.D.P.M., which has the expertise in, and responsibility for planning.
(This should not be undertaken by D.E.F.R.A)

We would like to suggest:

- 1) Direct election of a majority of NPA Board members
- 2) A limit of Board tenure of two 3year terms
- 3) Elected members to live within the National Park boundaries
- 4) Local business to be represented at Board level
- 5) An Economic or business liaison officer should be appointed to advise the Board on the economic needs of the Park.
- 6) More immediately it would be useful if the LDNPA could be persuaded to employ a communication consultant who could work with them and the local community to foster better understanding, and to prevent further polarisation



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