

Barker Review of Land Use Planning

Questions ;

- 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 resources pressures and environmental change? If not, what policy measure might help deliver this flexibility?**

The SWRDA recognises that an efficient planning system is a key mechanism in helping to deliver sustainable development and to manage sometimes competing pressures. It is important in this respect that the economy is recognised as a positive force in terms of the achievement of sustainable development and is given equal consideration with social and environmental considerations. Indeed the SWRDA believes that economic growth which has been considered and facilitated by the planning system will result in positive social and environmental benefits. For example successful businesses will invest in modern, efficient plant and machinery and in research, all of which are likely to result in a more sustainable economy.

The planning system can act as a genuinely strategic tool in helping to chart an ambitious future development strategy. Getting this strategic context right will pay dividends in terms of the effective functioning of the planning system. However the SWRDA also recognises that planning for the future is an uncertain and imprecise science. It is important that sufficiently flexibility is maintained in order to support innovation and creativity and the development of a range of possibilities within the desired direction of travel.

The strategic context needs to be backed up by robust delivery mechanisms which can translate it in to practical delivery activity. It is a concern therefore that the planning system is often perceived as being slow moving, arcane and complex. In terms of the planning system being sufficiently flexible and/or responsive to the right signals to deliver the right development in the right place the SWRDA considers the following to be essential ingredients;

National

It is essential that regional and local strategies are set within a positive, ambitious national framework. The SWRDA believes a National Spatial Strategy would help to chart an ambitious vision which the planning system can then work to deliver. A National Spatial Strategy would, for example, help provide a context in which port or airport expansion plans could be considered, alongside other related issues such as infrastructure requirements and housing needs.

A National Spatial Strategy could also help to explain how, in broad terms, economic development in the south of the Country can be married with economic regeneration in the north for example. This should not be viewed as a 'zero net sum'. It should result in improved economic performance for

the country as a whole rather than simply seek to limit the role of existing competitive and productive regions and sub-regions. This would help to overcome some of the issues and difficulties which currently exist in terms of defining what is the right development in the right place.

A National Spatial Strategy would help to connect the various Sustainable Community plans (The Northern Way, The Way Ahead etc.). It would also provide the opportunity to link together funding streams (including European funding) to ensure that all relevant resources were guided to delivering the Strategy. Many of these themes are identified in the recent 'State of the Cities' research.

There are further facets to resolving the national context for the operation of the planning system. Planning Policy Guidance note 4 entitled 'Industrial and Commercial Development and Small Firms' was published in 1992 and has not been revised since. It is now considered to be out of date and largely redundant (see RDA research study). To a degree therefore all planning documents below this level are therefore operating in somewhat of a policy vacuum.

The SWRDA is also concerned that the title of the PPG focuses on the specifics of industrial and commercial development and does not make reference to the broader context for economic development and regeneration. A revised PPS would help ensure that concepts such as productivity (and the drivers of it), business clusters, skills development, supply chains and the global market, are better understood and integrated into spatial solutions.

A revised Planning Policy Statement would be an excellent vehicle to address this. It would provide the opportunity to enshrine recent good practice guides (e.g. 'Planning for Economic Development' and 'Guide to Improving the Economic Evidence Base supporting Regional Economic and Spatial Strategies') in to formal policy. This would help to address the perceived tensions which currently exist, for example the relationship between economic development and economic regeneration. This also presents the opportunity to provide guidance on those signals which the planning system should respond to including with regard to changing economic circumstances due to globalisation, demographic change, natural resource pressures and environmental change.

Ultimately the efficacy of the planning system will also be determined in large part by other legislative streams. Particularly these surround local government structures. It is important that the policy announcement due later this year take forward this opportunity, particularly in relation to developing the concept of city regions and allowing them to be responsible for their future growth and development.

Regional

The SWRDA has been working closely with the South West Regional Assembly to ensure that the revised Regional Economic Strategy and the emerging Regional Spatial Strategy share a common understanding about how the economy will perform over the next 10 to 20 years. As part of this process it has been important to review past performance, to better understand any shortfalls in terms of provision for economic performance. It is now evident that the economic underpinnings of predecessor regional planning documents contained considerable under-estimates of the scale of growth that has actually transpired in the intervening period. This certainly applies for the last 10 years and probably for a period stretching back 20 years. The statistical review is confirmed by clear evidence, on the 'ground', of increased differences between house prices and incomes, increased long-distance commuting, increased congestion and tighter labour markets. We simply haven't been very good at ensuring spatial planning integrates with economic growth.

As a result the growth that has transpired in these last years has, at least to a degree, been unplanned and, by implication, unsustainable. This has resulted in a range of negative 'signals' – such as those mentioned above. However experience in the South West suggests that the planning system has not been (and perhaps never could be) responsive enough to act in a 'plan, monitor, manage' type way in order to address these issues. This reinforces the importance of getting it right from the outset within the parameters of an ambitious national framework. This will help to drive the creation of shared objectives at all tiers of the planning system.

The SWRDA is keen to ensure that the mind set of 'if we don't plan for it then it won't happen' becomes a thing of the past. In reality the opposite is true – economic change will happen - and the opportunity to use and shape market forces to maximise the contribution to sustainable development is often missed. The SWRDA is also keen to ensure this suggestion is not read as having to plan for everything. It is sometimes the case, for example The Eden Project and Mount Hawke in Cornwall, that a light planning touch can provide the space for successful and sustainable innovation, creativity and entrepreneurial activity.

All this points to the need for a considerable culture change in the way that the economy is viewed.

Local

The revised planning system is still bedding down and there are various ingredients to the reforms (such as front loading) which, whilst welcome, make it difficult to assess the efficacy of the reforms at this stage. The continued support for a plan-led system is welcome. There is however worrying evidence of slippage in the preparation of Local Development Frameworks with only 21 examinations of Development Plan Documents expected this summer rather than the 69 originally anticipated.

In the South West there are examples of both very good practice (resulting in national acclaim) as well as examples where the reforms appear to have had very little impact to date. Perhaps the main issue arising from this is that the planning system, as currently set up, is capable of performing very well when there is the desire for it to do so. This also applies as much to strategic planning as to development control in terms of determining individual planning applications.

The key issue therefore is how to raise the performance of all areas to the standard of the best. This raises issues such as incentives, but there will always be a substantial political ingredient to planning and consideration needs to be given to how concepts such as growth, and the benefits that flow from it, are articulated in spatial planning decisions. Building shared objectives has to remain a critical ingredient of future amendments to the planning system.

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?

As explained above (Q.1) the SWRDA would welcome a National Spatial Strategy which would help to articulate ambitions for sustainable economic development, regeneration, infrastructure improvements etc. It is considered that this would help to establish the parameters for the preparation of Regional Spatial Strategies (including Regional Transport Strategies) within an ambitious vision for the England as a whole.

The SWRDA have worked actively with the South West Regional Assembly in terms of the preparation of the emerging Regional Spatial Strategy so as to ensure a good symbiotic relationship with the revised Regional Economic Strategy. This relationship is considered more fully under question 6 but one area of concern relates to timing. Delays in the preparation of the RSS can translate into disproportionately longer delays to the preparation Local Development Frameworks. This slippage is witnessed in the timetable revisions that have been made to the first batch of Local Development Schemes. As RES delivery is reliant, to a good degree, on the performance of the planning system, delays in the preparation of Local Development Frameworks can have a significant impact on successful RES implementation.

A further dimension to the scope of the RSS in the South West relates to the sub-regional studies that have been undertaken centred on the main urban centres.

Case Study:

West of England Joint Study Area

The West of England is comprised of the four unitary authorities of Bristol City, South Gloucestershire, North Somerset and Bath and North East Somerset Councils. It includes Bristol (the only Core City in the region), Bath and Weston-super-Mare and is the economic powerhouse for the region as a whole. As part of the development of the RSS the Assembly required the West of England Partnership to develop a vision for their area and to test two levels of housing growth, namely 25% and 50% above Regional Planning Guidance levels.

An ambitious vision was developed by the Partnership. This included becoming one of the 'Europe's fastest growing and most prosperous sub-regions'. However the detail of the proposals does not appear to support this ambition. A level of employment growth was assumed that was little more than half what had been achieved during the 1990s. This in turn appears to have been used to justify lower levels of housing growth than the West of England was required to test. This was despite a previous Structure Plan adopting a lower level of housing than the EiP panel recommended and only being approved by the Secretary of State subject to an early review of the housing numbers. This was in 2001. Three old style Local Plans are still being progressed in the area.

This case study contrasts with the example of Plymouth.

Case Study:

Plymouth – Mackay Vision and Local Development Framework

David Mackay has produced, for the Plymouth 2020 Partnership, a much welcomed, frequently commended vision for central Plymouth. This was subsequently used by the Joint Study Area work to inform the development of the RSS. This included an ambition to more than double the level of employment that the city would otherwise generate by following a 'business as usual' agenda.

This ambition to achieve a step change in the economic performance of Plymouth has been followed through in to an excellent Local Development Framework which recently won the RTPI's Silver Jubilee Cup. It includes targeted Area Action Plans to drive forward regeneration in 5 key areas. It has also involved significant community participation and, as such, buy-in to the plans. The progression of the LDF benefited from an early decision to abandon work on the Local Plan and to progress instead with the more targeted and delivery orientated new style system. The LDF is a key element in creating the right conditions for future success of Plymouth.

These examples illustrate two very different approaches within the region. Broadly speaking the difference in practice reflects the current economic success, or otherwise, of the places concerned. This difference in approach

is reflected at the regional level. It is clearly difficult for politicians representing local areas / issues to fully appreciate, for example, the need to plan for long term economic trends, the importance of urban centres to regional economic performance and the need for long term housing provision to align with economic forecasts and then to marry these with perfectly legitimate local concerns. The reasons behind this are key to the future efficacy of the planning system and reinforce the importance of finding new ways to build shared objectives and ensure a smooth transition to the new planning system.

At the local level the SWRDA believes that there are a limited number (20 or so) of Area Actions Plans which will be critical to ensuring that the ambitions of the RES are delivered through the planning system. This has been reflected in the draft RSS delivery plan. These are centred around the following;

- Key transport infrastructure improvement including those associated with ports and airports
- Major regeneration areas
- Strategic employment sites
- Urban extensions to the region's large urban areas

The preparation of some of these AAPs is currently underway. For others the preparation process is taking longer, mainly as a result of work continuing on old style local plans. Perhaps more worrying is that still others do not feature in any Local Development Scheme to date.

The SWRDA would like to see the preparation of these AAPs prioritised particularly in the delivery plan for the RSS and also in terms of the subsequent availability of resources, not least Planning Inspectorate resources. This is particularly the case given the potential bottle neck in terms of the timing of individual inquiries that is likely to arise in the coming year to 2 years. This could be accompanied by further streamlining of processes. An example would be removing the requirement for the independent examination of Statements of Community Involvement as was recently suggested by the Planning Inspectorate's Policy Director.

- 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?**

The SWRDA fully supports the role of the planning system in helping to deliver sustainable development. There are some market trends, for example out of town retailing with large amounts of car parking, which the planning system has been very effective in regulating to the benefit of town centre

regeneration. There are a variety of ways in which planning for economic development is contributing to policy objectives other than economic development, and hence helping deliver on Integrated Regional Strategy objectives in the region. This includes the achievement of both social and environmental objectives. The environment, as a driver for sustainable economic development, continues to underpin the RES. This suggests that there is a need to raise the profile of planning for economic development whilst continuing to recognise that practice takes place in a system which other priorities also feature prominently.

It would be helpful if national policy could provide further guidance on the role of the economy as a positive force in terms of the achievement of sustainable development. This should include the relationship with social and environmental issues as well as how to marry objectives for economic development (as an ongoing process) with those for economic regeneration (requiring specific interventions).

**Case Study:
Bristol north fringe and Weston-super-Mare**

Throughout the 1990s the north fringe of Bristol was a key location for economic growth which was a key driver for the wider sub-region. However there is now a broad policy of restraint, partly so as to ensure a better balance between houses and jobs and partly to manage issues such as congestion.

This policy restraint is also seen as critical plank in the economic regeneration of Weston-super-Mare some 20 miles to the south. There is an implicit assumption that businesses which would ordinarily choose to be located at the north fringe, but can no longer do this due to a lack of supply, will instead move to Weston. It is debatable that this would be the case, with the potential that investment may even be lost from the UK.

In the above example, regenerating Weston-super-Mare within the wider sub-region should not be seen as a zero net sum game. It needs to develop a role and impetus of its own alongside, rather than instead of, the ongoing role of the north fringe of Bristol. As such successful regeneration will result in improved economic performance as a whole.

In theory the role of the economy in contributing to the achievement of sustainable development should be addressed through relevant Strategic Sustainability Appraisals. There is however concern about balance, particularly as environmental issues are also considered separately in a Strategic Environmental Appraisal.

Case Study:

Strategic Sustainability Appraisal of the South West RSS

Independent consultants were employed by the Regional Assembly to undertake both the Strategic Sustainability Assessment and the Strategic Environmental Appraisal of the RES. In assessing the draft Strategy the consultants expressed concern that the emphasis being placed on 'competitive' and 'knowledge based' businesses would not meet local needs and would not necessarily draw on the natural strengths and skills that characterise different parts of the region. There was also concern that this approach would be more reliant on connections to London and to Europe and beyond.

The Assessment concluded that due to the uncertainties surrounding economic forecasts, including resulting from national and international factors such as oil prices and the growth of far eastern economies, an alternative strategy should be explored in detail. This was centred around an approach to development and activity in the region that was less dependent upon its national and international links in order to help reduce its exposure to external factors and help improve 'local sourcing'.

The SWRDA was concerned that this alternative approach was not rooted in economic reality and suggested a form of economic isolationism. It was also contrary to the strategy of the RES most particularly in terms of the aspiration to raise skills levels and to develop the knowledge driven economy so that the region can continue to compete in an increasingly global market place. This approach would also result in the need to 'featherbed' businesses from the effects of competition – not an acceptable, long term sustainable solution.

In carrying out sustainability appraisals much emphasis is placed on local environmental impacts and the term 'environmental capacity' is sometimes used in a rather nebulous way. Insufficient consideration is given to wider issues, such as the potential growth in long distance commuting. Ensuring that SSAs were conducted within the context set by an ambitious national development strategy would help to overcome these concerns.

The future development of the economy and the protection and conservation of the environment are sometimes seen as mutually exclusive objectives. The Agency firmly believes that economic growth which is facilitated and delivered through a robust planning framework will deliver positive environmental benefits.

- 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?**
- 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 of the English planning system, which**

are now being implemented? Are they increasing the transparency of the system and providing greater clarity for businesses? What further reforms, if any, are desirable in order to improve the transparency and effectiveness of the system still further?

The degree of long term certainty which the planning system can provide is fundamental not to just to guiding the investment decisions of business but also to the creation of sustainable communities.

**Case Study:
Ernst & Young Study into the operation of a Regional Infrastructure Fund**

One of the key proposals of The Way Ahead, the Sustainable Communities Plan for the SW, is the establishment of a Regional Infrastructure Fund. This would be a revolving fund which would help to overcome some of the funding issues associated with providing the infrastructure necessary to support the delivery of large scale developments.

Ernst & Young were commissioned to undertake some financial modelling to understand how this Fund might operate. One of the fundamental conclusions was that the efficacy of the fund would be determined by how much long term certainty the planning system could provide with regard to scope and timing of the major development proposals.

This principle also applies to individual including those associated with major transport infrastructure.

**Case Study:
Bristol Port and Bristol International Airport**

Bristol Port and Bristol International Airport are significant on both a regional and a national scale. They are both within the administrative boundary of North Somerset Council and as such are subject to the policies and proposals of the North Somerset Local Plan.

BIA benefits from the recognition in the Aviation White Paper that it has considerable growth potential. Regardless of this the Local Plan maintained a green belt designation across the entire area. Such a restrictive approach would necessitate 'exceptional circumstances' to be demonstrated before any further development, e.g. with regard to the terminal, could be progressed. This provided little or no certainty for the Airport company in terms of future investment.

These issues were debated at the Local Plan Inquiry and there was a subsequent recommendation to partially redraw the green belt boundary so as to allow some space for development in the period to 2011 (the timeframe of the Local Plan). Given that the Aviation White Paper extends well beyond this

period this issue will need to be tackled again in the near future. This has delayed the preparation of an Area Action Plan for the Airport.

Bristol Port does not have the benefit of an equivalent framework to the Aviation White Paper. In order to provide evidence on the existing and future role of the Port the SWRDA and Port Company worked together in commissioning an economic impact report. No amendments to the Local Plan policy framework were made as a result of this robust and timely evidence and a proposal to extend the green belt so that it would be adjacent to the existing port boundary was maintained. The Inspector accepted the strategic case for the future expansion of the port and recommended that some land be made available accordingly. Again this only looks to 2011 and provides no long terms certainty.

There are no current plans for an AAP to guide the future development of the port.

The Agency considers that the reforms of the planning system offer considerable scope for providing increased certainty for investment. Particularly this revolves around the use of bespoke Area Action Plans. Regionally and/or nationally significant developments need to be the subject of such AAPs and identified and prioritised as such.

The SWRDA also believes that in terms of the relationship between speed and certainty the balance should rest more with the latter than the former. Delivery contracts which would supplement the current reforms could be a key means of achieving this. It is understood that the use of such contracts is currently the subject of a pilot study and it will be important that the lessons learnt from this feed in to the development of future practice.

There are further opportunities to promote a culture change in the way in which the planning system operates. This could include planning charters or the introduction of planning champions for example.

The SWRDA recognises that it is sometimes difficult for business to engage with the planning system. Invariably the contact between businesses, and particularly SMEs, comes at the time of the submission of a planning application. By this time the opportunity to influence the strategic framework against which the proposals will be determined has been missed. Arguably it will be more difficult for businesses to input into the raft of LDF documents that are currently under preparation.

This suggests that new ways of engaging with business need to be explored. An example could be a regional Sites and Premises group aimed at ensuring a ready supply of employment sites. This could also filter down in to undertaking individual employment land reviews at the District/local level.

There is a need for clarity about some of the mechanisms that currently exist. For example there is little clarity over the role of Business Planning Zones

which were suggested in the Planning Green Paper. This coupled with the fact that the Enterprise zone programme ends this year, means that there is a dearth of bespoke planning mechanisms and instruments to promote economic development and regeneration.

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?

In the SW the SWRDA has worked closely with the Regional Assembly to ensure a good relationship between the emerging RSS and the revised RES. This included running a number of joint consultation events around the region.

**Case Study:
Regional Spatial Strategy for the South West**

The SWRDA has worked closely with the Regional Assembly in preparing the first draft of the RSS to 2026. The Agency was given the lead on the economy topic of the RSS by the Assembly and worked through one of its officer groups to devise an appropriate policy framework. This included commissioning the following research streams which had a clear spatial focus;

- Spatial dynamics of future development in the region’s key sectors
- Economic potential of places in the region
- The knowledge driven economy in the South West

A particularly important dimension to ensuring good synergy between the RES and the RSS was building a picture of how the economy might perform over the next 10 to 20 years. A range of GVA scenarios were put together, both above and below the long term average. Issues of population growth and housing numbers were also considered. A range of 2.8% to 3.2% growth in GVA is now a common assumption between the RES and RSS.

A strong technical case for at least 25k dwellings per year to support this level of economic growth was put together and this is accepted in the RSS. However this did not fit with advice from the strategic planning authorities and a lower figure (23k houses per annum) was subsequently adopted. This level of provision seems unlikely to help deliver on other policy drivers such as homelessness, affordability levels and changing household size.

The above experience illustrates that despite a robust economic evidence base (and one which meets the requirements of the relevant ODPM guidance) which is shared between the RES and the RSS then decisions can still be made which in effect start to unravel this relationship. This is despite

evidence that the South West has consistently 'under-planned' for the economic growth that it has seen in recent years.

- 7. Planning applications for major projects will typically take a considerable time to work through all the necessary stages. Do you consider that 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 appeals system to improve its speed and efficiency?**

The SWRDA believes that in the relationship between speed and certainty the balance should rest more with the latter. To a large degree this certainty needs to be established through a supportive strategic planning framework and in particular the use of Area Action Plans where significant change is envisaged. These can be accompanied by delivery contracts and the necessary resources apportioned.

Case Study:

The Way Ahead –the Sustainable Communities Plan for the South West

The Way Ahead has considered the practical issues associated with the practical delivery of major development proposals. This has resulted in proposals for Delivery Teams to be established in key growth areas. These will bring together a wide range of skills and, as well as speeding up the process, will ensure that the overall quality of the proposals are raised.

Of particular concern for SWRDA are the current timescale targets for the determination of major planning applications (13 weeks) and the link to the payment of Planning Delivery Grant. If the time taken to determine an application extends beyond this period then, perversely, the incentive also falls away. There is a real risk that resources are then prioritised to other planning applications. This would be overcome by a system of planning delivery contracts where the timetable and resources required for determining the application is agreed between all parties, perhaps extending beyond the current 13 week target. Clearly, however, this needs to be linked back to the 'deliverability' tests incorporated within the LDF process and to the priorities established by the LDF process. This is likely to be more acceptable than either being encouraged to withdraw an application or being faced with a planning appeal.

An alternative method of assisting in the determination of planning applications would be through the establishment of minimum standards. It would then be clear from the outset as to what as to the benchmark that a particular proposal had to meet or exceed. This would also help to streamline the system in terms of the increasing number of assessments that have to accompany individual planning applications.

The SWRDA has some experience of the appeals process, not least through involvement with third party proposals particularly following on from its statutory consultee role.

**Case Study:
Gloucester Quays**

A major mixed use regeneration scheme for some 25 hectares of brownfield land is being promoted by Peel Holdings and British Waterways for the Quays area of Gloucester. The site falls within the boundary of the Gloucester Heritage Urban Regeneration Company and the proposals have the potential to generate a wider catalytic effect.

The retail component of the scheme raised issues about its fit with national planning policy guidance. The SWRDA worked with the Urban Regeneration Company to commission a retail assessment to understand this strategic fit. All parties, including Gloucester City Council, supported the proposals.

Following a resolution to grant planning permission from the City Council the proposals were referred to the Government Office under the retail direction. Seven months later the proposals were called in for the Secretary of State's determination. An Inquiry date was set for November 2005 some 12 months on from the City Council's resolution. Without lobbying of the Inspectorate (including by the local MP) this would have been event further in to the future.

The Inspector's report is not due until June 2006 with a final decision expected from the Secretary of State some time after this.

The planning appeals process has to offer a reliable and expeditious means of resolving outstanding issues. This is in itself likely to be one of the main ways of ensuring that the planning system as a whole operates efficiently. The main issues appear to be ones of consistency and resources, particularly with regard to the Planning Inspectorate. As can be seen from the example above however, the Inspectorate is not the only actor in this respect.

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?

The SWRDA has no empirical evidence that the direct costs of making a planning application are deterring investment. The issue is more around the certainty as to whether a planning application is likely to be successful. If the answer is yes then an informed decision can then be made as to whether to proceed with preparing and submitting a planning application together with the associated costs.

Having said this care needs to be taken in ensuring that the supporting documents for planning applications are actually adding value rather than just presenting a further procedural hurdle. The proportionality principle needs to apply. The number of assessments that now need to be prepared to accompany individual planning applications appear to be increasing and expanding in to new areas e.g. health and equality. The introduction of minimum standards would help to streamline this process and give a clear indication from the outset as to the likely acceptability, or otherwise, of a particular proposal.

One area that can be particularly time consuming relates to community consultation. The SWRDA appreciates the efforts that are being made to front load this requirement through the LDF process. Experience suggests however that it is not until the formal submission of a planning application that the majority of people become aware of the proposals. It is unclear as to how the front loading of consultation in the strategic process will help to ease the determination of individual planning applications.

9. To what extent do 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 Agency has no empirical evidence as to the relationship between high occupation costs and the planning system.

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?

Perhaps the most obvious example of the planning system impacting on competition is with regard to supermarkets which are the subject of a current OFT study. Restrictions on the supply of sites are said to limit competition between supermarket chains. This is also true of housing development. Those companies with an effective strategic land bank are more likely to prosper than those without. Land is by definition a limited resource which puts the planning system in a difficult, if necessary, position in terms of regulating the supply of development sites.

The Agency does not have any empirical evidence that the planning system is a direct barrier to competition. The case studies above illustrate that those areas which enjoy inherent competitive advantages, for example in terms of location, are potentially more willing/able to limit supply.

Knowledge and experience of the planning system can be bought through the use of planning consultants. This also suggests a role for the Business Links in helping business understand and engage with the planning system in

conjunction with the role of the RDAs in helping to set a supportive strategic framework for economic development and regeneration.

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

The SWRDA is aware that research was undertaken for the DETR entitled 'Planning for Clusters' in June 2000. This recognised the role of the planning system in promoting cluster development and accordingly have made a number of recommendations as to how to improve practice. The research is not however considered to be widely used.

In helping to develop the RSS the SWRDA has sought to ensure that the role of innovation is recognised by commissioning specific research on the spatial dimensions of the knowledge driven economy.

**Case Study:
The Knowledge Driven Economy in the South West**

In order to help inform the development of both the RES and RSS the SWRDA commissioned Prof. Martin Boddy to undertake research in to the spatial dimension of the knowledge economy in the South West. This considered a wider range of issues including the role of the region's urban areas and the relationship with surrounding rural areas. It also considered the distribution of knowledge intensive employment and the relationship with key institutions such as universities, hospitals and R&D facilities.

The outputs from this research helped to shape the overall spatial strategy of the RSS as well as the locational criteria for identifying employment land.

One of the main concerns for the SWRDA is the emphasis that is currently placed on housing development relative to employment sites. For example there is evidence that surplus hospital land is simply sold for residential development rather than consider its potential role as a focus for the development of medical related businesses.

In terms of the identification of strategic employment sites there is a risk that too much emphasis is placed on the quantity of employment land rather than its potential qualitative role. Sites for innovation centres and science parks may be relatively small but have the potential to punch considerably above their weight in strategic economic development terms.

A further issue surrounds how responsive the planning system is to individual business sectors given the emphasis placed on the B1 (business), B2 (manufacturing) and B8 (distribution) classification in the Use Classes Order (UCO). Whilst the Agency is certainly not advocating a further review of the UCO there are examples where supplementary approaches have been used to compliment it. The Plymouth Local Plan for example specifically reserves

key waterfront sites for marine sector uses and this practice could be extended to other sectors as the case study below illustrates.

Case Study:

The Advanced Engineering and Aerospace Sector, Filton, North Bristol

Aerospace is an established sector in the South West and is a key economic driver. There is a particular concentration of such businesses in the Filton area of Bristol including Airbus and Rolls Royce. A key determining locational factor has been the proximity to an operational runway and airfield.

The strategic planning framework, either at the regional or the local level, does not currently recognise and reflect the importance of this concentration or specifically support its on going development. This has led to commensurate delays in determining planning applications, including a recent application for substantial redevelopment to provide more modern premises. Coupled with this there is pressure to accommodate further residential development in close proximity to the airfield. Unless the needs of the aerospace sector are better understood the planning process may undermine the operation of the airfield and thus the main reason for the establishment of the concentration in the first place.

A recent report published by the West of England Aerospace Forum further reinforces the importance of the aerospace sector. It illustrates the desire of these global companies to extend their roots in the region and further develop local supply chains. The network of large and smaller businesses are therefore inter-reliant. An understanding of these relationships is crucial to facilitating the concentration of aerospace businesses.

As a result of better evidence and understanding, the emerging Regional Spatial Strategy better acknowledges the spatial dimensions of sector development in the region. This now needs to filter down into the preparation of Local Development Frameworks.

The above example illustrates that it sometimes difficult to understand the complex relationships that exist between businesses within the same sector. Nevertheless it is important that the planning system strives, through partnership, to achieve this in order to foster the creation of clusters. A supportive strategic framework will assist the operation of the planning system at a detailed level. This will require better engagement of businesses in the strategic end of the process so as to secure the certainty, speed and clarity they need from the system.

12. Do planning authorities have the skills and the resources required to 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 the efficiency of the process?

There is a weight of evidence regarding skills shortages and recruitment difficulties with regard to planning officers in Local Authorities. Resource constraints were specifically identified by the ODPM commissioned 'Planning for Economic Development' report as a key inhibiting factor. There are however issues as to whether the best use of the resources that currently exist, particularly between planning and economic development departments in Local Authorities.

A broader issue is the level of understanding that planning authorities have in terms of their role in promoting economic development. There is a need to ensure greater consistency of practice on a region wide basis. For example this applies to undertaking employment land reviews. The SWRDA is conscious of its role in gathering and disseminating evidence in this respect but there is also a need for clearer guidance on how the planning system can facilitate economic development and meet business needs. This should include consideration of specific instruments and mechanisms.

This also points to the need for bespoke training to planning officers and committee members so as to improve their understanding of business needs. Equally training could be offered to businesses so as to ensure that they are familiar with the planning system.

13. Are the new arrangements for stakeholder engagement in the plan-making process succeeding in engaging those economic interests, including SMEs? If not, what are the barriers to that engagement and how might they be addressed?

The reformed planning system places a lot of weight on the front loading of consultation. As these are still relatively early days in the terms of the reformed system it is difficult to comment on how effective they have been with regard to engaging economic interests. One of the potential difficulties will undoubtedly be that rather than there being one single Local Plan to keep track of there may be more than 5 local development documents which will have a bearing on economic interests.

The SWRDA is regularly consulted with regard to various LDD documents but because of the resource commitments it is forced to prioritise. This will become even more difficult as the various documents approach the formal inquiry stage, particularly given that the resulting Inspector's reports will be binding.

The ODPM commissioned report 'Planning for Economic Development' concluded that there was a need for stronger engagement with the business community. This suggests that business needs to be treated as a hard to reach group and specific mechanisms put in place to ensure input from the business community. Statements of Community Involvement provide an opportunity to articulate how this will be achieved. Business support groups may also have a role to play in facilitating this input as well as other organisations such as the CBI and Federation of Small Businesses.

14. Are there ways in which 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?

Experience in the South West suggests that the response to proposals for economic development is largely guided by how well a particular place is performing in economic development terms at the present time. In other words those places which have strong ambitions to achieve a step change in their economic performance will be more receptive to the proposals, both in terms of the local community and the wider community as a whole. Conversely in those areas which have been successful and are perceived to suffering from the consequences of this, for example congestion, proposals are less likely to be greeted with open arms.

It is evident that, for delivery of economic development and regeneration through the planning system, there is a need for local authorities to be both willing and able. It is essential for future success that these two requirements go hand in hand. This does raise the question of flexible incentives and how they might benefit both local communities and the wider populace. In this respect the benefits of growth are rarely articulated. Economic growth is usually perceived in very negative terms particularly where there is a perception of a causal link to additional housing requirements. The wider benefits of growth, for example an enhanced leisure or cultural offer, do not seem to factor in this consideration. Addressing this is critical to changing this mind set.

Local incentives have a role to play here. A direct link can then be made between economic development proposals and wider benefits. The current examples of Business Improvement Districts (BIDs) illustrate the way that local action can help to generate local benefits. This could also be linked to wider monetary/fiscal measures through the use of section 106 agreements. The future role of the Planning Delivery Grant also needs to be considered here.

This process would benefit from clearer guidance on some of the mechanisms that already exist. For example the operation of the proposed Business Planning Zones, as introduced in the planning reforms, remains distinctly unclear.

15. Economic development can help achieve the regeneration and renaissance of urban and rural areas. Are there ways in which planning could strengthen economic performance in regions, sub-regions (including city regions) and at the local level?

At the regional level the main means of strengthening economic performance through the planning system revolve around ensuring a symbiotic relationship between the RES and the RSS. This needs to be clear about the priorities for economic development and regeneration. In turn there needs to be greater clarity about the necessary infrastructure improvements. Practice has moved

on considerably in the South West in recent years. The RES is now more spatially specific and the RSS shares growth assumptions with the RES.

At the sub-regional level the main issues concerns administrative boundaries for the region's large urban areas. The growth of many of the South West's strategically significant settlements will actually be accommodated within adjoining districts. This raises issues in terms of prioritisation and deliverability.

**Case Study:
Major Developments East of Exeter**

Exeter has significantly developed its role as an economic centre for the south and west of the region in recent times and it is important that this role is further developed. Studies concerning the future direction of growth of Exeter have determined that land to the east of the city represents the most sustainable option. This extends beyond the boundaries of the City Council. Hence a proposed new community, strategic employment site, science park and inter-modal freight terminal all fall within East Devon District.

Whilst these major development proposals relate functionally to the urban area they fall to be determined by what is essentially a rural District Council. The progression of the proposals then becomes very dependent upon good working relationships being maintained so as to ensure continuity across administrative boundaries.

This pattern is reciprocated in many of the region's other large settlements.

The future efficiency of the planning system is therefore very much bound up with future proposals for local government review including proposals for the establishment of city regions. This must allow the large urban areas to manage growth proposals within their own boundaries and to develop their roles as economic powerhouses.

At the local level there are opportunities to link the role of the planning system with delivering the economic development targets in Local Area Agreements.

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