



OFFICER REPORT TO EXECUTIVE

**BARKER REVIEW OF LAND USE PLANNING
28 MARCH 2006**

KEY ISSUE/DECISION:

To respond to the 'Call for Evidence' from the Government sponsored Barker Review of Land Use Planning, to ensure that the County Council's interests are reflected in its analysis and subsequent recommendations.

BUSINESS CASE:

- 1 Kate Barker, a member of the Bank of England's Monetary Policy Committee, has been asked to conduct a review of the land use planning system in England for the Deputy Prime Minister and the Chancellor of the Exchequer. Kate Barker has previously undertaken a review of housing supply for the Government which has led to proposals for significant changes in the way that housing is delivered through the planning system, and which were considered by the Executive at its meeting on 14 February.
- 2 The current review is intended to build upon the reforms contained in the Planning and Compulsory Purchase Act 2004, and will consider how planning policy and procedures can better support economic growth and prosperity alongside other sustainable development goals. Its key aims are to examine:
 - ways of further improving the efficiency and speed of the system;
 - ways of increasing the flexibility, transparency and predictability that enterprise requires;
 - the relationship between planning and productivity, and how the outcomes of the planning system can better deliver its sustainable economic objectives; and
 - the relationship between economic and other sustainable development goals in the delivery of sustainable communities.
- 3 This report identifies the key concerns for Surrey County Council arising out of the 'Call for Evidence' from the Review Team.

What the Planning System Should Deliver

- 4 A key issue in considering the operation of the planning system, is an understanding of what the system should deliver to key stakeholders and the general public and the key principles that should underlie any approach. The

planning system has many functions, but its fundamental rationale must be to balance competing pressures for land use to ensure that the needs of the community at large are reflected in development decisions, and that valuable assets, be they economic, social or environmental, are retained. To do this, the system must be simple, speedy, offer value for money, be efficient and transparent in its operation, and have democratic legitimacy. These fundamental principles underpin the proposed response to the Review Team.

a) Further Change to Planning

- 5 The Review comes less than 1 ½ years after the Planning and Compulsory Purchase Act which was supposed to herald the introduction of a new, comprehensive planning system. It appears to have been initiated within the Treasury and follows on closely from the Barker Review of Housing. Both these reviews are concentrated on narrow areas of responsibility within the planning system but have significant impacts upon other key elements, notably social and environmental issues. The planning system exists to balance competing pressures for land use and not to merely respond to market demand or to change according to market conditions. Suggesting that change is needed to address either housing or economic development, in the absence of proper consideration of social and environmental issues, runs the risk of unbalancing the fundamental basis of the planning system, jeopardising the achievement of wider community benefits.

- 6 **The Review should provide a full and proper assessment of the role, functions and operation of the planning system, rather than looking at specific elements in response to concerns expressed by individual interest groups.**

b) Democratic Legitimacy

- 7 Whilst there were undoubtedly problems with the pre-2004 planning system, the new system has not provided the clarity, speed of decision making or local buy-in that was envisaged. The fact that detailed planning decisions are now made at a regional level means that decisions remain remote from many members of the public and business and from the real issues facing local communities. The introduction of sub-regional areas in the South East Plan is a recognition of this remoteness, but this has raised further issues of confusion. Specifically, the sub-regional areas do not relate to existing or emerging community or administrative boundaries and are not comprehensive in coverage. To overcome such problems, many district authorities seek to interpret strategic guidance locally through more general and strategic land use policies in their Core Strategies. Such policy approaches under the previous planning system were addressed through a single, statutory Structure Plan, prepared at the county level. Planning at the county level provides the opportunity for strategic land use issues to be considered in a way which is understandable to local people, relates to an area they can identify with and avoids unnecessary duplication of effort and resources at the local level. At a time when many other services are reorganising on a county level basis, the planning system seems increasingly out of touch.
- 8 There is also a fundamental issue of the democratic deficit in regional plan making. The new planning system appears to have been designed to work within a structure of directly elected regional authorities. Operating the system via unelected regional assemblies and the Government Office has created significant issues around the legitimacy of decision making at the regional level. The passing of statutory planning powers from the counties upwards to

unelected regional assemblies (contrary to earlier assurances from Government over the devolution of powers) has created a democratic deficit with no public accountability from the region to local people. This lack of accountability fundamentally affects not just individual members of the public and amenity groups but also the economic sector, providing little idea of the future direction of policy or an easily understandable means to influence it.

- 9 County Councils, together with the larger metropolitan councils, are the sole remaining part of the public sector that are both strategic in outlook and local in the sense that they are able and expect to deal with most things within their boundaries. County Councils are therefore able to take responsibility for balancing wider needs and local concerns, including on issues such as housing allocations and minerals and waste planning, in a way that is not possible in smaller authorities. This also means that the County Councils have the strategic capacity to shape regional planning policy and to use practical experience of delivery to inform the review and future development of policy.
- 10 **The Review needs to address the issue of the democratic legitimacy of the planning system and the potential that the County Councils have to contribute positively to the future development and implementation of planning policy, by reinstating direct democratic control over strategic land use planning through elected County Councils.**

c) Impact of Planning Processes on Business

- 11 The 2004 Planning and Compulsory Purchase Act was intended to herald the introduction of a quicker, more accountable and easier understood planning system. However, rather than encouraging further business development, the processes built into the new planning system are actually impeding it, due to its over-complicated and bureaucratic nature.
- 12 Whilst an emphasis on speed within planning should, in principle, benefit business by being able to respond quickly to the changing economic environment and technological advance, speed should not be seen as the only factor. Rather it is the quality of plans that are produced and the way in which they can balance competing demands for land use which are of overriding importance. An over-emphasis on speedier plan making could prejudice the protection and enhancement of necessary social and environmental resources, which are also a pre-requisite for the future success of the economy.
- 13 There is also a fundamental concern that the detailed design of the new planning system has produced a system that is burdened with over-elaborate procedures and bureaucracy which, far from speeding up plan making, could actually create further delay and confusion. The planning system seems to have become the victim of a Government desire to micro-manage the delivery of public services. The outcome is that the design and operation of the planning system is not transparent to the public or the business community. For business to engage effectively, the planning system needs to be simple and provide certainty. The new system places a greater emphasis on consultation with stakeholders, and is leading local authorities to consult more widely, including with the business community, but this activity is tied up in bureaucratic processes which preclude effective engagement. For example, there is a complicated set of requirements for consultation on each development plan document (DPD) – 3 separate sets of consultation before a development document is subject to inquiry, with 3 parallel sets of consultation on the sustainability appraisal. Alongside this, rather than consultation on a single

plan, as was the case with the old style development plans, business will now be consulted separately on a range of documents, including the core strategy, site allocation DPD and any economic specific DPDs or supplementary planning documents. As well as this process, there is also a requirement for a separate consultation and inquiry process on a Statement of Community Involvement.

- 14 Not only is business expected to engage effectively with planning at the local level, but the new system also requires engagement at a regional level through the Regional Spatial Strategy (RSS), sub-regional strategies and through the Regional Economic Strategy (RES). Business, alongside other stakeholders and the public also have to contend with a plethora of other statutory consultations from local authorities or other public bodies, including consultation on Local Transport Plans, Sustainable Community Strategies and Local Area Agreements.
- 15 Whilst many consultations are outside the scope of the planning system, it is clear that for many businesses and others, there is consultation fatigue. The result is that, rather than being more engaged in the process, business may actually be less inclined to engage. The system needs to return to a much more simplified structure, which business can relate to its own immediate area, providing a mechanism for simplifying consultation procedures within and across district areas, to avoid duplication of effort and unnecessary expenditure, but also to make the process more transparent to key stakeholders. Whilst there were problems with the old planning system, it did have the advantage of requiring input on a single local plan, rather than a plethora of plans, and input into a strategic plan at the county level where there was democratic accountability and a better understanding of the needs of an area.
- 16 **The Review must address the over complicated and bureaucratic nature of the planning system, significantly simplifying the arrangements for public consultation and public engagement.**

d) Impact of Planning on Business

- 17 The business sector in Surrey has raised concerns that the continued loss of land to other uses, particularly housing, could be storing up problems for the future, providing little flexibility to respond to changing economic circumstances. Whilst it is true that there has been a loss of employment land to housing, in many ways this is the outcome of national planning policy, delivered through Planning Policy Guidance Note 3 (PPG3) and the emphasis on housing delivery that has emerged following the previous Barker Review of Housing. The potential conflicts between the two Review processes further illustrates the 'knee jerk' reaction to issues within Government and the piecemeal approach to planning that seems to be emerging, all of which is undermining the integrity and standing of the planning system.
- 18 However, despite widely held views within business about the impact of planning, there is little evidence within Surrey that the planning system has adversely affected business development. Planning policy in the county has for many years been based upon making the best use of brownfield land, often through the intensification of development on established sites, whilst at the same time releasing surplus land to other uses. Evidence from development and employment trends demonstrates that the Surrey approach has not restricted economic development. For example, between 1994 and 2001, there

was a net increase in employment floorspace in Surrey of 750,000m², against a loss of 4 hectares in employment land. At the same time, employment in Surrey grew by 28%. There is no reason to suppose that this pattern of land use and development will not continue into the future.

- 19 There is evidence to suggest that the planning system has impacted on occupation costs due to the combination of constrained land supply and strong demand for floorspace. However, these constraints are not the result of local policy in Surrey targeting the business community, but rather the application of international, national and regional land use constraints. A particular concern facing Surrey and adjoining counties and districts is the implications of the application of the European Habitats Directive through the designation of Special Protection Areas and Special Areas of Conservation, which is effectively preventing development across large areas of the region. It is also questionable whether a relaxation of planning policy to allow for greater levels of economic development would have a significant impact on occupation costs in general, although it is accepted that there may be benefits for individual companies. The experience of housing illustrates this point very well. Despite an argument that substantial increases in land supply are needed to address housing affordability, evidence from the Commission on Sustainable Development in the South East, and from research carried out for the Office of the Deputy Prime Minister, has questioned the strength of any relationship between land supply and price, and the benefits to be gained from a relaxation of policy.
- 20 A key concern for business in relation to planning, is the relationship between land use planning and transportation and car parking policy. Concerns over transportation issues form the bulk of the business sector's contact with the County Council's Economic Development Office. The business community needs to be assured that there is a consistent approach between planning and transportation. They also require a system which can allow for flexibility in approach in dealing with the transportation and car parking issues surrounding new and existing development, rather than one which adheres strictly to pre-determined standards irrespective of local circumstances.
- 21 **The Review needs to address how the planning system can be designed such that there is less emphasis on micro-management from the centre (i.e. Government) and more discretion to reflect local circumstances and needs.**

e) Relationship Between Regional Plans

- 22 There is very little evidence of joined up thinking between regional organisations and between organisations and Government on the priorities attached to planning policy. The nature of the relationship between the RSS and RES is unclear, leading to duplication of effort in terms of consultation and unnecessary conflict between documents, which adds to a picture of confusion and bureaucracy within planning. For example, in the South East there are significant differences in approach between the RES and the emerging South East Plan, with the RES arguing for significantly greater levels of housing and promoting sub-regional areas which differ from those in the South East Plan. Within the system, there appears to be no clear process for reconciling such differences and little hope that such differences will be understandable to the business community or the wider public.

- 23 **The Review needs to establish the primacy of the Regional Spatial Strategy in the determination of development needs within a region, to provide much greater certainty over future development intentions.**

FINANCIAL IMPLICATIONS

- 24 There are no financial implications

EQUALITIES IMPLICATIONS

- 25 There are no equalities implications for staff and in providing services

RISKS

- 26 If the County Council does not respond to the call for evidence, it will miss the opportunity to raise concerns over the future development and operation of the planning system, or to ensure that issues of specific concern to the county are considered in future reviews of the system.

RECOMMENDATIONS:

That, in response to the 'Call for Evidence', the Executive calls for the Barker Review Team Review to:

- 1) provide a full and proper assessment of the role, functions and operation of the planning system, rather than looking at specific elements in response to concerns expressed by individual interest groups;
- 2) address the issue of the democratic legitimacy of the planning system and the potential that the County Councils have to contribute positively to the future development and implementation of planning policy, by reinstating direct democratic control over strategic land use planning through elected County Councils;
- 3) address the over complicated and bureaucratic nature of the planning system, significantly simplifying the arrangements for public consultation and public engagement;
- 4) address how the planning system can be designed such that there is less emphasis on micro-management from the centre (i.e. Government) and more discretion to reflect local circumstances and needs;
- 5) establish the primacy of the Regional Spatial Strategy in the determination of development needs within a region, to provide much greater certainty over future development intentions; and
- 6) that the outcome of the Barker Review of Land Use Planning should also take into account the wider Government review of the form, functions and funding of local government and the inter-relationships between this review and the land use planning system.

REASONS FOR RECOMMENDATIONS:

To ensure that the County Council's concerns over the design and operation of the Planning System, and its failure to deliver both efficiency and value for money are communicated to the Review Team.

WHAT HAPPENS NEXT:

The Review Team will consider responses to the Call for Evidence and prepare an interim report to the Government early in the summer. A final report, including recommendations for changes to the planning system will be published around the end of 2006.

Responsible: Peter Shadbolt, Planning & Countryside Service, Tel: 020 8541 9846

Accountable: Roger Hargreaves, Head of Planning & Countryside, Tel: 020 8541 9302

Consulted: SCC services, Executive Members

Informed:

Sources/background papers: Barker Review of Land Use Planning: Call for Evidence
