

Kate Barker
Barker Review of Land Use Planning
4th floor, HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

16 October 2006

Barker Review of Land Use Planning - Interim Report

Dear Ms Barker,

I am writing to you at the suggestion of Robert Upton, secretary general of the RTPI, who we have been working with to consider ways that live/work property can be given more prominence as a future-facing land use.

We are aware that you are in the later stages of finalising your report, but nonetheless feel it would be useful to explain how live/work quarters (properties specifically designed to combine living and working space, ideally supported by 'hub' resource centres), can help bring about a more dynamic and sustainable use of 'employment' land.

We did submit evidence to your review and briefed your staff but were surprised to see our evidence omitted from the appendices of the interim report - and an overall omission of material on the fast-growing home based business sector. We believe that your review will be strengthened with a clear view on the likely future impact of home based business on employment premises and land use.

Forthcoming evidence from the DTI's annual survey of small businesses (2006) shows that **41% of all businesses** now use the home as their main business premises. This trend, we believe, has huge implications for the economy, the environment and the planning system.

The DTI survey also shows this figure reaching 49% of businesses without employees. In the networked economy, growing a business with contractors and collaboration rather than employees is an increasingly common choice. Another choice is the preference to work from home. DTI surveys show that people do not feel forced into this option. They choose it for many reasons, including cost and time savings and work life balance. IT and broadband advances have also made it increasingly easy.

Homeworking is, therefore, playing an increasingly important role in encouraging new enterprise. The 2005 survey of household entrepreneurship found that 61% of those seriously thinking of starting up a business agree that 'being able to work from home' is

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Above all, we need to address the growing use of the home in the UK as the preferred choice of many as their chosen business premises. Only a live/work use of premises can fit with this preference while also allowing businesses to expand.

If you would like to hear more some detail on these ideas, which I stress are supported by the RTPI, please do get in touch.

Yours sincerely,

Tim Dwelly
Director

current planning policies can fail to detect or encourage incipient clusters of home based business. Live/work developments, in contrast, can bring them into visibility and support their growth with shared facilities.

Live/work developments also contain the potential to overcome some of the problems around **price signals**. On average, land for housing is worth around three and a half times that for general office class B1 use. The increasing pressure to deliver more land for housing is only going to exacerbate this. The price differentials ensure that much of this potential value does not benefit the local community, and yet local authorities are under pressure to maximise taxpayer value for money.

By allowing genuine live/work developments on non-residential land, planning gain can help the community capture some of the **land value uplift** with economic development at the heart of planning gain: affordable live/work units can be provided alongside hub facilities that other home based businesses can utilise. Live/work developments can revitalise under performing employment land - with better paid work - while also helping to cool locally overheated markets for both housing and business use land.

From a broader perspective, live/work can help the planning system deliver **sustainability in the round** whilst simultaneously providing growth and prosperity. As well as the economic advantages already mentioned (such as investor certainty, business viability, daytime economy support and town centre viability), positive contributions include:

- **Social advantages.** These include: an increase in social capital, particularly through an increase in joint learning and business collaboration, a growth in social enterprise and greater security and reduced fear of crime resulting from daytime occupation of premises.
- A positive contribution to combating **climate change**. There is an automatic reduction in commuting and only one premises to heat and power (not two). This saves greenhouse gas emissions. Live/work developments are also particularly well-suited to microgeneration and combined heat-and-power plant, as well as the efficient use of other natural resources such as water.
- A reduction in traffic miles also means less **congestion** and accidents.
- The potential for more polynodal **transport** systems.
- The potential for increased **recycling** rates and waste reduction, as well as minimised water use, through a centralised environmental management plan.
- And, of course, **less land take**, particularly through ensuring the **better use of existing property**, with concomitant advantages to biodiversity conservation.

We think that the case for planning authorities to provide more live/work solutions essentially makes itself. Encouraging live/work should be part of any strategy to make the planning system more efficient in terms of its processes and its use of land.

a motivation in wanting to start a business. We do not think it is labouaring the point to argue that today the home is the UK's most important **business incubator**.

But, how can entrepreneurs who value the advantages of home working expand their business without abandoning their preference for zero-commute home-based premises?

Evidence suggests that businesses often grow beyond the capacity of a spare room at home. The space being used is not flexible enough for growth, subcontractors cannot gain access when the owner is away and business support services are distant or simply non-existent. The distinction between workspace and living space, between personal and professional spheres, breaks down.

The provision of live/work space directly addresses these ongoing employment and social trends. Here we believe that the planning system can do much more to support live/work use as a modern and future-facing property type. Live/work can help address the needs of the UK economy (more knowledge-based businesses, avoiding over-reliance on larger employers to better withstand economic shock, lower overheads) and - importantly - the urgent need to combat global warming (less commuting, best use of land and buildings, lower emissions).

Live/work quarters can help make the system more **efficient**. One planning application for new live/work units, especially with managed common services, can reduce the overall number of separate applications that a planning authority must process. Live/work developments can help to create **business clusters**, thus improving enterprise, innovation and co-operation.

Live/work can also provide **certainty of land use**, and **compatibility** with regard to adjoining parcels of land (for example acting as a buffer zone between B1/B8 Land and residential areas). It can be a major factor in regenerating town centres, particularly in re-using buildings and land whose employment impact has become limited or outmoded.

Most importantly, live/work can help the planning system deliver in terms of **efficiencies of land use**. Because of demographic shifts, more people require more workspace and more homes. Live/work is an obvious solution - it provides flexible workspace, is demand-led and is compatible with demographic and economic shifts.

Live/work, properly managed and owned, is a particularly **flexible** form of both housing and business premises - it can withstand economic shocks. Its implicit cost saving is a particularly successful means of improving **business viability**.

By promoting live/work developments, planning authorities can address the low satisfaction rates that SMEs report in their dealings with the planning process. In this way, the problem of local authorities appearing to sometimes favour indigenous firms can be turned into a solution.

Live/work developments are ideally situated to stimulate local, endogenous growth. They can allow the planning system to influence the size and development of agglomerations of economic activity through **innovative clustering**. At the moment,

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If you would like to hear more some detail on these ideas, which I stress are supported by the RTPI, please do get in touch.

Yours sincerely,

A handwritten signature in black ink that reads "Tim Dwelly". The signature is written in a cursive, slightly slanted style.

Tim Dwelly
Director