

Call for Evidence

Background

The Chancellor and the Deputy Prime Minister have invited Kate Barker, a member of the Bank of England's Monetary Policy Committee, to conduct an independent review of land use planning in England.

The terms of reference of the review are:

To consider how, in the context of globalisation, and building on the reforms already put in place in England, planning policy and procedures can better deliver economic growth and prosperity alongside other sustainable development goals.

In particular to assess:

- 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.

Issues to address

To deliver against these terms of reference, the review will:

1. Assess the extent to which the Government's sustainable economic development objectives are reflected in planning policies and procedures and how far the desired outcomes are achieved, in the context of the long-term trends of globalisation, demographic pressures, environmental change and the consumption of natural resources;
2. establish the causes behind any shortcomings identified; and
3. make recommendations both for making the recent reforms work more effectively and for further reform, building on those already in place, to enable more efficient, effective and integrated delivery of economic, environmental and social goals.

More specifically, the review will establish how the planning system impacts on economic growth and employment, by analysing its impact on the key drivers of productivity- enterprise, competition, innovation, investment and skills. Among the issues analysed will be:

- flexibility and economic signals- it will consider the extent to which the planning system has the flexibility to respond to the right economic signals, in the context of rapid economic change;
- speed, transparency and certainty- it will assess the extent to which the English planning system delivers the speed, transparency, certainty and value for money required by SMEs and larger firms competing in a global economy;
- enterprise- it will consider how planning enables economic development and regeneration and how it could strengthen growth at national, regional, sub-regional (including city region) and local levels;
- investment- in particular it will explore the indirect impact of land use regulation, as opposed to other factors, on office, warehouse, retail and factory costs;
- competition and innovation- it will analyse how land use regulation impacts on the productivity drivers of competition innovation in terms of barriers to entry and exit, scale economies, agglomeration and cluster formation; and
- getting the balance right- consider whether there is the appropriate balance between economic, social and environmental objectives in the English planning system.

This assessment of the impact of the planning system on economic growth and employment will consider the cost and benefits of the system both for those proposing economic development and those affected by it. While the terms of reference focus on the economic impact of the planning system, it is not the aim of the review to promote economic considerations above social or environmental considerations. Economic issues cannot be considered in isolation from the Government's other objectives for the planning system, including the need to co-ordinate infrastructure provision, to prevent or reduce negative externalities such as pollution and environmental degradation, and to provide public goods such as open spaces. The review will consider the impact of planning policies and practices on these environmental and social goals in so far as these impact on economic development. Where improvements to achieve these objectives are identified these will be considered, although it is not the intention of the review to conduct a full evaluation of these issues.

The Barker review of housing supply explored the relationship between the planning system and housing supply- this issue will not therefore be a primary focus of the current review.

The review will focus on the town and country planning system, but will, where appropriate, consider wider aspects of land use regulation, for example other development consent regimes and the relationship with Regional Economic Strategies. Where appropriate, the review will take account of the emerging findings of related studies, including the Eddington Study on transport, the Government's energy review and the Lyons Inquiry on the future role and function of local government.

Timings

The deadline for responses to the call for evidence is 28th March 2006.

The review will publish an analytical interim report in early summer, and a final report setting out recommendations around the end of 2006.

Response details

Representations from all interested parties are invited. A list of questions that representations may choose to respond to is attached in Annex 1 (overleaf). Where possible responses should be broken down into defining problem areas, establishing causes and recommending solutions. Representations should be sent via email to barkerreview@hm-treasury.gov.uk or via hard copy to Carmel Howard, Barker Review Team, 4/E1, 1 Horseguard's Road, London SW1A 2HQ. Please note that unless confidentiality is specifically requested, each representation has the potential to be made public.

Barker Review Team
24th January 2006

Annex 1

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 resource pressures and environmental change? If not, what policy measures might help deliver this flexibility?
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?
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?
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 to the English planning system, which are now being implemented? Are they increasing the transparency of the system and providing greater certainty for businesses? What further reforms, if any, are desirable in order to improve the transparency and effectiveness of the system still further?
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?
7. Planning applications for major projects will typically take a considerable time to work through all the necessary stages. Do you consider the system puts too much emphasis on speed or do you feel that 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 appeal system to improve its speed and efficiency?

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?
9. To what extent are 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?
10. How does the planning system impact on competition, through influencing barriers to entry and exit and economies or scale? If there are areas where there is a negative impact, how can these be addressed, while protecting other goals of the planning system?
11. To what extent does the planning system effectively support innovation through fostering the formation of business clusters and wider agglomeration of economic activity?
12. Do planning authorities have the skills and resources required to help 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 efficiency of process?
13. Are the new arrangements for stakeholder engagement in the plan-making process succeeding in engaging those representing economic interests, including SMEs? If not, what are the barriers to that engagement and how might they be addressed?
14. Are there ways that 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?
15. Economic development can help achieve the regeneration and renaissance of urban and rural areas. Are there ways which planning could strengthen economic performance in regions, sub-regions (including city regions) and at the local level?