

Manchester City Council

Submission to Barker Review of Land Use Planning

- 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?**

Flexibility – the statutory planning system has always had a degree of inflexibility built into it due to the need for independent testing in order to give the development plan more weight than other material considerations. Making alterations to the development plan therefore necessarily requires time and due process to allow for transparency, confidence and opportunity for others to contribute.

The new planning system promised increased speed, flexibility and responsiveness. It was these elements of the proposed reforms outlined in the Planning Green Paper that the City Council most welcomed. The ability to prepare the development plan in stages and at different spatial levels, depending on particular issues, was of great relevance to the City faced with a complex structure of economic success and growth alongside intense deprivation. These elements of the recent reforms are most disappointing and we are seriously concerned about how helpful the new planning system is for the City. This will be elaborated on further but, in simple terms, every step of the process has been lengthened; parallel consultative processes have been introduced with Sustainability Appraisal; we are unable to properly programme our own timetable in the light of changing circumstances and resource demands without reference to and approval of Government Office, taking a minimum of 3 months.

The timescale for the preparation of a Supplementary Planning Document (SPD) is now recommended to be a minimum of 12 months whereas the old style Supplementary Planning Guidance (SPG) was much shorter. Under the new system, for example, it is difficult to imagine how we could have brought forward the SPG for the Bomb Damaged Area in a timely fashion to underpin the successful renewal of the City Centre, or the SPG for East Manchester which helped to deliver the major infrastructure projects required for the Commonwealth Game and the wider regeneration of that area.

Within the HMR Pathfinder area the planning system is identified as one of the key risks to delivering the transformational change needed given the length of time clearance using Compulsory Purchase Order (CPO) procedures can take. Whilst it is recognised that the removal of someone's home is a serious issue it is becoming increasingly clear that most objectors are not objecting to CPO's on planning grounds but to negotiate better compensation packages. It is essential that the compensation element is divorced for the CPO process, as the City Council previously suggested in response to the consultation paper that accompanied the Planning Green Paper.

At the strategic level, the Regional Spatial Strategy is good in concept and could be effective in delivering national planning policies in the regions. It has the potential to embrace the Regional Economic Strategy and the Regional Housing Strategy, and provide the spatial dimension to priorities within a statutory document. Whilst the previous system was guidance based and could be regarded more flexibly when needed, in the new system, being statutory, it has much higher status and really needs to focus on priorities rather than status quo. To increase economic performance and reduce regional economic disparities depends on the integration of strategies but this is not working at the regional level, as none of them are sufficiently strategic at identifying priorities. The process leading up to the preparation of the new draft RSS and the content itself only serve to reinforce our concerns.

Responsive to economic signals – the planning system has not been designed to be responsive to economic signals although it has a new statutory purpose to contribute to sustainable development, the emphasis on environmental issues through Strategic Environmental Assessment (SEA) means that in practice 'sustainable' equates largely with 'environmental'. Given the problems with processes and flexibility, it is difficult to envisage how, even if economic intelligence informed planning processes, the system could alter its policy approach in the light of this in anything resembling a timely fashion.

Whilst we will try and use the new planning system effectively, it needs to be acknowledged that it is fundamentally flawed in practice. In Manchester the statutory planning system has been used to great effect as part of our integrated approach to positive planning. Where facilitating and promoting development is an essential part of our approach to regeneration and the same is true of other cities in the north of the country. A more regulatory use of planning in a negative way to constrain development might be relevant in the south of the country but not in circumstances where we need to stimulate economic growth.

- 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?**

The regional level is not a helpful spatial scale for the North West, it is an administrative construct that does not reflect how places operate or inter-relate. The Regional Spatial Strategy (RSS) process has highlighted this, with a document that seeks to provide 'something for everyone' and shies away from making strategic choices. The sub-regional level has most value that, in the context of Manchester, means the 'city region' as this is the scale at which relationships are meaningful and where sensible strategic choices and priorities can be identified. The consultation draft of Planning Policy Statement 3 – Housing, recognises the importance of the sub-regional level and this calls into question the usefulness of the region as most 'regional targets' are simply an aggregation of sub-regional ones.

RSS being part of the development plan is powerful in principle but in practice it is difficult to see how this will add value if it is bland and undifferentiated. In addition there will never be a time when Local Planning Authorities are not engaged in plan making as they add to their Local Development Framework (LDF) portfolios, when RSS is being reviewed and when 'saved' policies in UDP's are being superseded. This introduces confusion and uncertainty into the decision making processes, one of the major raised by investors about the planning system. It also increases the opportunity for legal challenge that again creates uncertainty and results in delay.

A 'national spatial strategy' that identifies those activities critical to the economic growth of the country would be helpful to enable the associated infrastructure required to deliver them etc to be decided at the spatial level most appropriate and avoid development of national importance being delayed and threatened by local level concerns. (See comments regarding Manchester Airport below).

Our view is that the 'city region' is the relevant spatial level for effective integration of economic, transport and housing strategies, where these can be harnessed to drive economic growth. The regional level has little resonance with this imperative and there is a need for a debate about how, if at all, we integrate a planning framework at both the regional and city regional level.

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?

By definition planning is about balancing competing interests in the 'public good'. The statutory purpose of planning introduced in the Planning & Compulsory Purchase Act is appropriate but the mechanisms to ensure that plans are 'sustainable' add a significant burden, (both administratively and in intellectually) to the new system. The Sustainability Appraisal, incorporating the Strategic Environmental Assessment Directive, has an environmental bias. Whilst this is appropriate, there are instances when the economic importance of a proposal is so significant that this needs to be allowed for within the system.

An example of this in the Manchester context is Manchester Airport. The Airport is identified within the Northern Way Growth strategy as the most important economic driver for North and a significant contributor to future economic growth. The Airport is located within Green Belt and is therefore subject to a restrictive policy framework necessitating delays in processing planning applications with referrals to Government Office. The Airports White Paper recommends that Manchester Airport should double in capacity (up to 50 million passengers per annum) by 2030. It is the City Council's view that the overwhelming economic benefits accrued by the Airport should be supported by an enabling policy framework. The ability to deliver this is constrained however by the fact that environmental issues have at least equal weight in the decision making process.

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?

The English planning system in its various forms over the years has been used as a basis for planning systems in many countries. However, the key issue can sometimes be not so much about the system itself but how it is operated at different spatial levels. The new system could be made more efficient and fit for purpose without looking outside of the country.

The Institute of Directors highlight the USA and Canadian systems which allow individual property owners discretion, within certain criteria laid down

in designated Planning Zones, to determine development as long as it does not encroach adversely upon other property owners. Whilst they acknowledge the difficulties in a country with often severe land pressures like the UK, there would be implications for communities without property ownership and inequalities that would be contrary to an inclusive system. It would prioritise personal gain over community benefit and could have major environmental disbenefits or conversely prevent land coming forward for development.

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?

As outlined briefly above, the new system with its numerous layers, incomprehensible 'jargon', acronym rich environment and increased timescales does not seem to offer the speed and transparency that was the intention of the proposals in the Planning Green Paper. One of the strengths of the new system, namely the ability to prepare documents at different times, could also prove to be confusing if not handled carefully, as there will never be a 'complete' policy framework for people to refer to. The segregation of strategic matters from detailed site specific matters and the fact that it is strongly advised by Government Office that public inquiries are progressed sequentially, means that people will not have all of the necessary information before them when they are making their contribution. Similarly, developers and investors will have to negotiate several documents both statutory and non-statutory to understand the policy approach for different issues, locations or sites. This is then compounded by the fact that for the foreseeable future saved policies from the UDP will be in use but will be being replaced or reducing in weight all the time.

Investors consistently cite 'certainty' as a key to confidence in the planning system. If there is certainty, speed is not necessarily of paramount importance. It is the City Council's view that the new procedures militate against our ability to make the planning system an effective tool to deliver regeneration benefits: whilst the new development plan system can provide certainty the processes involved are not speedy and although changes to development control (design codes, local development orders and review of householder consents) may give the impression of speed there is the consequent uncertainty over the quality of product.

The city region level would be more meaningful for business and investors as it would present the opportunity integrating strategies and engender confidence through greater certainty. Within the Manchester sub region, Manchester and its partner authorities (the Association of Greater Manchester Authorities) have made significant progress in working together on economic development and skill training initiatives, but potential will never be fully realised without formal recognition of the pre-eminence of the city region.

- 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?**

Experience in the North West is that regional agencies are beginning to work together more effectively but there is still some debate about which regional strategy takes precedence. There is an argument that as the RSS is a statutory document it is the most important and the others should follow. The counter argument is that the RES is also statutory and, with the regional Housing Strategy (RHS), sets out the region’s priorities and the RSS should underpin them. In the North West the major problem facing us is that none of the regional strategies actually prioritise any spatial location over another and it is therefore difficult to provide a spatial strategy, as it has to accommodate all development everywhere.

This again points to concerns over the usefulness of the regional level and whether it can ever provide the degree of integration of strategies that is needed to drive economic growth effectively, particularly in the north of the country.

- 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?**

The Planning Green Paper was accompanied by a consultation document on Major Infrastructure Projects. This envisaged dealing with the principle at national Government level and leaving detailed consideration to the

local level. There was much to commend this approach and it is regretted that this does not appear to have materialised. It is probable that difficulties will be encountered with the new planning system for the expansion of Manchester Airport and its economic growth potential, even before planning application stage. Serious consideration needs to be given to establishing a mechanism, at the right spatial level, for decisions on those special major projects that contribute to substantial economic growth to help ensure that they do not become subject to the vagaries of the planning system at the local level. For major projects below this level, Manchester has made great efforts to use the development control process to take forward important schemes for the City in an efficient and timely manner, especially where there is a regeneration imperative and certainty is needed to give confidence for investment.

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?

A planning application needs to contain all necessary information to enable meaningful consultation – a complex scheme will invariably need more explanatory material. Local Planning Authorities need to be able to satisfy themselves that all appropriate issues have been covered. For major applications in particular, this safeguards against the possibility of legal challenge. The City Council is not aware of investment being deterred because of the ‘cost’ of planning permission. It is aware however that ‘business’ as represented by the Institute of Directors indicates that the planning system is over cautious and interferes with the smooth operation of the market by giving weight to environmental and social issues.

The complexity of the new planning system, covered elsewhere, and the lack of strategic input into nationally important issues, for example, (wind turbines) contribute to a perception of the planning system as reactionary and negative. A particular area of concern to the Institute of Directors relates to emerging new and innovative technologies where national research is given the same weight as local concerns. An example of how this has been dealt with more appropriately in the past relates to the post war Electricity Act where national guidance was given as to height, location etc of pylons and local authorities had little or no discretion if proposals were within these. This is an area that may be worthy of further exploration in relation to new forms of technology, including renewable energy and telecommunications. The point about a national spatial strategy (see 2. above) addresses a similar issue.

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?

The Institute of Directors consider that the arbitrary nature of the planning system is one factor which impedes competition. The opportunity costs due to the slowness and complexity of the system impact upon Britain's international competitiveness. This is their view of public services generally. One of their proposed solutions to this is to take planning decisions out of control of politicians and give it to the Courts. This highlights one of the key problems with reforming the planning system radically – some 'body' will still have to take difficult decisions, balancing competing objectives etc. The City council's view is that the most appropriate place for this is the democratically elected and accountable local authority.

High occupation costs may be a consequence of many factors, including constrained land supply and land banking by landowners that all contribute to 'imperfect competition'. A completely open and transparent system is not in the interests of those with an existing interest in the market as it is a business imperative to protect the value of their investment. This is similar to the situation with house builders holding onto land and with Tesco now holding the majority of retail planning permissions.

Alternatively, the planning system has been beneficial in the experience of Manchester, as it has enabled the City and its partners to direct investment to locations that the market would not ordinarily favour, for example Central Park in East Manchester. An unfettered market led approach would have made this task extremely difficult, if not impossible.

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?

The City Council would be concerned if the planning system were felt to be constraining competitiveness in such a way that there were wholly negative outcomes. It would be helpful to understand any evidence that supports the proposition.

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

This relates back to how effective sub regional partnerships are at working together and how robust and evidence-based their economic strategies are in meeting and responding positively to business needs. Within Greater Manchester sub regional working is well advanced and it is at this, City Region, level that real progress can be made.

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?

In Manchester, the development plan process now largely follows the preparation of strategic regeneration strategies and then underpins them. Regeneration staff lead work with input from a range of internal services, including Planning, together with external agencies, business and resident's groups. The new planning system was, however, probably conceived to do the opposite, putting Planning in the vanguard of regeneration. If it is used like this it is probably not surprising that there are concerns about skills and resources, with probably too much being expected of Planning staff in addition to meeting a range of performance targets and increasing expectations in terms of quality development. Within an integrated approach to regeneration, as we have in Manchester, not every skill is needed for everyone involved in the 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?

It is too early to say exactly how successful the new arrangements will be but it is unlikely that SME's as a group will engage to any significant degree. SME's represent a very wide range of interests from very small local concerns to relatively large businesses. It is unlikely that they all share common concerns and views and would wish to put forward joint arguments. From the City Council's perspective and experience, the important factor is understanding the local economy within the context of the regional/national/global economy; engaging with these interests through the various sub-regional partnerships (in Greater Manchester this is Manchester Enterprises) and to ensure that requirements of the sectors

important within the City are reflected as far as possible in the policies of the development plan.

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?

The ability to address the impact of development through Section 106 planning agreements is a useful mechanism that can be beneficial at the local level. A local Planning Gain Supplement could not only be used to deal with impact, but also to assist in driving forward regeneration initiatives to further benefit urban areas like Manchester with growing economic success (where the momentum needs to be kept going) alongside intense deprivation.

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?

Manchester's integrated approach to regeneration and development has a number of key themes, one of these has been 'positive planning'. The development plan process now largely follows the preparation of regeneration strategies and then seeks to underpin them. The current development plan has been subject to 14 sets of alterations since it was adopted in 1995. It has been operated 'in the public good' for the circumstances in Manchester. Whilst the intent of the new system was well motivated it seems to have rolled planning and regeneration processes together and, in doing so, has become far too sophisticated for its own good. Looking back at what we have achieved in the past to use development planning in a positive way to create certainty over a relatively short timescale would be impossible now.

From Manchester's perspective planning can help to strengthen economic performance and the key ingredients are:

- Statutory City Region Spatial Strategies (provided that governance arrangements are designed to make planning effective)
- An urgent review of the new planning system, particularly for development plans, to make it more efficient whilst keeping those elements that are genuinely progressive.
- Re-balancing Sustainability Appraisal to overcome the bias towards environmental sustainability.

- A 'national spatial strategy' to identify those activities critical to the economic growth of the country and enable associated infrastructure requirements (for example, Manchester Airport and Metrolink) to be decided at the spatial level most appropriate.

In considering these points, the review needs to satisfy itself that whatever outcomes it recommends, the need for 'fit for purpose' planning and governance regimes must be appropriate to their circumstances. This means an acceptance that what might be appropriate in one part of the country would be inappropriate elsewhere. The real challenge is to design systems that can deliver economic success in accordance with national priorities across the country.