

ODPM: Barker Review of Land Use Planning

County Surveyors Society (CSS)

Response to Call for Evidence

The County Surveyors' Society (CSS) represents local authority chief officers with responsibility for Strategic Planning, Transportation, the Environment, Waste Management and Economic Development. The Society's membership is drawn down from the four nations of the United Kingdom. Its members in England and Wales are responsible for providing professional services for 74% of the road network; 59% of the land area; and 42% of the population. CSS draws on the extensive knowledge and varied experience of its members to respond to European and Central Government initiatives and consultations, promote initiatives aimed at influencing government policy and develop and disseminate best practice.

The aim of this response is to ensure that the County Surveyors Society is able to influence any changes to the land use planning system in a way that achieves County Councils' aims for planning service delivery.

Summary

In short, the conclusions to be drawn from this advice can be summarised as follows:

- 1 Government is looking to Kate Barker and her team to come up with recommendations that will put an economic 'thumb in the scales' of the planning system's balance of objectives so that it delivers 'the development that England needs', and 'globalisation' is but the latest argument deployed to suggest that jobs are being locked-up in planners' filing cabinets. Objective international comparisons between economic performance and planning systems are conspicuous by their absence; and anecdotal evidence indicates other factors at play.
- 2 The UK's planning system was always intended to deliver national development goals and has always contained the tools for Government to adjust to ensure that it continues to keep up with national priorities. Failure to use these tools sufficiently and instead to focus on complicating both format and process has increasingly frustrated both local planning authorities and business investors. This is exacerbated by simultaneous trend towards over-burdening of the planning policy system with responsibilities to deliver other, increasingly under-funded, public services over which there is no direct planning control.

- 3 Long before the term was coined, 'sustainability' has been the principal guide in planning decision-making. However, it has not been, and should not be, for the planning system to decide the national balance between economic, social and environmental objectives. That is the responsibility of Government. Clear and consistent adjustment in planning intervention levels and national planning policy has to be preferable to forcibly steering local planning authorities into making their decisions more 'economically sustainable'.
- 4 Implicit in the 15 questions asked in this review is the view that the planning system is a hindrance to economic activity and needs to change. Major changes were introduced in 2004, they have introduced more complexity and are in the early days of being embedded. There must be strong argument that this review is premature regarding its questions about how to make the 2004 Act reforms work better and whether there needs to be further reform. It is barely 18 months since enactment and most Planning Authorities have only just commenced work on their LDF's.
- 5 A similar review was carried out by Kate Barker 2 years ago on the impact of the planning system on housing. This led to the Government's current emphasis on the delivery of increased levels of house building and in turn to some substantial changes in Government policy. It is extremely likely that this review will be similarly influential and it is important that the views of CSS and CCN are articulated and that through the expertise of our membership we may contribute to reforms that more accurately achieve the headline objectives of clarity, simplicity and purpose.

Introduction

- 1 HM Treasury and ODPM have asked Kate Barker to conduct a review of the land use planning system - focusing on the town & country planning system but picking up on other development consent regimes and relationships with Regional Economic Strategies. According to a letter published by the Barker Review Team (24 Jan 06), the purpose of the review will be 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.
- 2 In particular the Review will assess:
 - a) ways of further improving the efficiency and speed of the system;
 - b) ways of increasing the flexibility, transparency and predictability that enterprise requires;
 - c) the relationship between planning and productivity, and how the outcomes of the planning system can better deliver its sustainable economic objectives; and

- d) the relationship between economic and other sustainable development goals in the delivery of sustainable communities.
- 3 Government argues that this Review is necessary because even though recent reforms are beginning to speed-up application decisions, loosen-up plans, and balance social and environmental objectives, the planning system is still not delivering 'the development that England needs'. It cites the context of 'increased competition caused by globalisation' as the basis for the Review to "assess the extent to which Government's sustainable economic development objectives are reflected in planning policies and procedures ... establish the causes behind any shortcomings identified; and make recommendations, both for making the recent reforms work more effectively and for further reform..."
- 4 The Government's 'call for evidence' is intended to ensure the Review's analysis is based on the 'strongest possible evidence base'. Evidence - either in the form of the "formal view of organisations or personal reflections" needs to be sent to the Barker Review Team by 28 March 2006. The advice given here in this briefing paper is that, before responses are made to the particular issues canvassed by the Review Team, consideration should be given to the context of the nature of:
- the planning system itself and of
 - the impact of globalisation;
 - the intervention of planning in the development process and
 - the factors influencing its decision-making.

The System

- 5 The 'Town & Country Planning' system (in the UK) has been subject to unremitting legislation seeking to design and redesign processes and formats to produce a tool for delivering contemporary environmental, economic and social objectives. If we are to take a mature view of this Review and its admitted purpose, it is important to appreciate the background to the planning system we have right now and the stimulus behind the present calls for reform.
- 6 The authors of the Bill that became the 1947 Town and Country Planning Act justified their proposals in terms of remedying the defects of the piecemeal 'planning scheme' that had evolved since 1932:
- "The defects of this system are; it is static, planning schemes having the force of law and being difficult to alter; it is localised; local authorities are not obliged to prepare plans; and it is negative. The Bill replaces the planning scheme with a more flexible development plan. County and county borough councils must prepare plans within three years, and they must be reviewed every five years. In order to give positive powers for executing plans by making land available, local authorities will be given wider powers to buy land compulsorily for leasing to the private developer, and will be able to designate as subject to compulsory purchase land likely to be required within ten years for development by governing departments, local authorities and private enterprise." (Abstract of the 1947 Bill).

From this contemporary description there can be little doubt that the 1947 Act was at least intended to provide a land use planning system that was flexible, positive and responsive to the country's development needs. But that was then.

- 7 In the following six decades planning legislation has constantly re-established and re-invented the law to produce the comprehensive system we have today. (Planning Acts have flowed from the statute books at the average rate of one every two years). Significant 'milestones' along the way have occurred about every decade, consolidating the accumulated prior amendments and introducing new process and formats i.e. the 1947 Act was followed by major Acts in 1962, 1971, 1980, 1990 and 2004. Even in the early 60's Lord Justice Harman was moved to comment on having "to wade through a monstrous legislative morass" and to pity the local authorities "striving to administer the town and country planning legislation of recent years". (Britt v. Bucks CC, 1964; Davey v. Leeds Corporation, 1964).
- 8 The planning system, like any system (e.g. health, education etc), does not passively exist to serve a set of needs fixed for all time. Just like private sector advertising seeks to create new needs for new products, so the planning system has evolved to generate new needs. Extending the system's embrace from 'land use' to 'spatial' planning is a recent example. However, this process can get out of control when vested interests vie to influence the output and force change in the system more frequently than the customers' priorities would otherwise dictate. This can result in replacement of the serviceable by the 'no-better' - usually before the implementation costs of the 'old model' have been recouped. A possible example is the Planning & Compulsory Purchase Act 2004 – which appears to be the result of pressure from different vested interests within the planning system rather than wider public or parliamentary concerns.
- 9 In the face of 59 years of such pressures, the planning system has had its remit progressively extended to become (for example) an instrument of location of industry policy, housing policy, transport policy and, now it seems, macro-economic policy. However, perhaps the most remarkable expression of this 'self-exciting' phenomenon is the extent to which legislators have sought over the last 40 years to increase public engagement in the planning system. The latest manifestation is the Planning & Compulsory Purchase Act 2004 requirement for the planning system to deliver pre public consultation awareness raising exercises in producing the new 'local development frameworks' and has civil servants scrutinising the minutia of programmes of 'community involvement' that councils now have to prepare and adhere. This is in stark contrast to the lack of a similar enthusiasm on the part of successive Governments to increase the participation of the public in debating the decisions and plans of other public systems – particularly those with whom the general public experience more frequent contact and, arguably, have greater interest (e.g. health or education).

Globalisation

- 10 Government sees the major contextual driver for the Review as 'globalisation' so it is important to be clear about what this implies. The term 'globalisation' is shorthand for the tendency of investment funds and businesses to move beyond domestic and national markets to other markets around the globe, increasing the interdependency of different 'far-flung' markets. Although many large companies have operated around the world for decades (and a few for centuries), the Web more than any other phenomenon has enabled even the smallest company to have a global presence. Proponents of globalisation say that it helps developing nations 'catch up' to industrialised nations much faster through increased employment and technological advances. Critics say that it weakens national sovereignty and allows rich nations to ship domestic jobs overseas where labour is much cheaper. The Government seems to believe that the planning system's present balance of environmental, social and economic objectives is undermining the ability of the UK economy to compete effectively for investment in this global market.
- 11 The issues identified to be examined in the Barker Review Team letter (24 Jan 06) and the phrasing of the questions chime with the report 1998 published by the McKinsey Global Institute: "Driving Productivity and Growth in the UK Economy". This document identifies the "most pervasive explanation" of the UK's (then) lowly position in the G7 productivity league table as being its "regulations governing product markets and land use on competitive behavior, investment and pricing" (p2). The second of its five recommendations for actions included reform of land use regulation based on the following principles (pp 24 & 25):
- *Systematic identification of barriers to world-class productivity and their economic costs.* The report makes reference to planning policy & control restrictions constraining large-format food retail operators; hotel operators wishing to convert/expand listed buildings; and greenfield/green belt restrictions on development of IT 'clusters'.
 - *Comprehensive reform to produce a new regulatory framework.* This should strike a new balance/ trade-off between social and economic objectives.
 - *Alignment of structural objectives with regulatory objectives.* The report suggests that local planning authorities should be encouraged to implement a more growth orientated regulatory regime by enabling localities to derive a direct (financial) benefit from the grant of planning permission for new developments.
- 12 Some older local planning authority practitioners might be forgiven for a sense of 'déjà vu' - recalling Michael Heseltine's 'jobs locked-up in planners' filing cabinets' rebuke of the early 1980's. However, that would be a mistake because the target of the McKinsey report – and of the Barker Review, it is to be expected - is not the efficiency of the planning

process but the fundamental principle of the extent to which it should intervene in the economic development process to bring to bear environmental and social objectives.

Intervention

- 13 It has been common ground, reinforced by the courts since 1947, that the UK's system of town and country planning is concerned with the use and development of land. It is concerned with protecting the public interest and is not generally concerned with private rights; it is rarely concerned with financial matters and it is definitely not its purpose to intervene in competition between businesses. Within these guidelines, the planning Acts have not applied planning control to the same degree across the spectrum of land uses and the extent of control exercised over and within broad economic sectors has been varied over the past 50 years.
- 14 It has long been the complaint of manufacturing, retail and other service industry operators that agriculture and forestry gain a competitive edge from a much lighter touch by the planning system. They argue, with some justification, that long-gone are the strategic national security reasons for most agricultural and forestry activities being either 'permitted development' or not constituting 'development' at all under the General Development Orders. On a much tighter time scale, the Use Classes Orders have taken uses out of control and brought others in. In the case of 'crown development', the categories immune from planning control have been reduced as Government has retreated from direct service provision (e.g. hospitals, power stations etc). Overall, the intervention of the planning system in national affairs has demonstrated that it is neither universal nor is it necessarily fixed for all time. From this perspective, the tools have always been there to vary the degree and scope of intervention by the planning system to align it with the desired balance of environmental, social and economic objectives.
- 15 Recently, the notion of 'spatial planning' has been introduced into the legislation and Government national policy statements. (See references to 'regional spatial strategies' in the Planning & Compulsory Purchase Act 2004, and Planning Policy Statement 11). 'Spatial planning' seems to have been picked-up from the 'European Spatial Development Perspective' and dropped into the UK planning system without the conceptual framework that went with it. So we are left to conjecture about its meaning i.e. beyond 'if you can map it, its spatial' and with the clue that it includes such non-land use topics as 'skills' and 'social inclusion' as well as the traditional land use and development. However, of particular relevance to the Barker Review, there is no clear guidance on the connection between spatial planning and economic issues such as competition, wage rates and taxes. What is clear is that, if such matters are included in 'regional spatial strategies' and therefore become part of the statutory development plan, then there is no mechanism for them to be delivered directly through planning control. (See P&CP Act, S 1(2)).

16 The evolution of the 'affordable housing' issue demonstrates the point. Whilst local authorities continued to receive significant funding to build council houses, Government resisted housing tenure as a planning matter. However, as this funding was progressively withdrawn over the last two decades, the practice of delivering 'affordable housing' on the back of private market housing through planning permissions became to be regarded by Government as a proper planning consideration. It is not too difficult to imagine economic development funding on the back of planning permissions – as European Union funding for England diminishes. In such a context we could expect the provision of, for example, skills training and ethnic minority awareness programmes to rely largely or wholly on the likes of supermarket planning permissions.

Decision-making

17 This Review of the planning system, unlike the review that led to the Planning & Compulsory Purchase Act 2004, does not (at least directly) question process and format. It suggests - almost to the point of assertion - that the decision making of local planning authorities is out of step with the present balance of national priorities. More particularly, there is a heavy implication that they (the local authorities) place too much weight on environmental and social objectives at the expense of economic objectives. If, for the sake of argument, that were to be generally accepted, then one option would be to reduce the level of intervention in those sectors where planning is considered to be an unacceptable barrier to competitiveness – adjusting the Use Classes and General Development Orders accordingly, as in the past – and 'living with the implications' for social and environmental objectives of such a choice. It has been done before; both at the macro sector level and within broad uses, and could be done again. (In theory, the planning control regimes over agriculture and retail sectors might be swapped - assuming the former was no longer of national strategic significance and, given McKinsey, the latter now is.) Inevitably, such a dramatic change(s) would be most unwelcome to significant parts of the electorate and Governments have usually backed away from deliberately alienating large parts of the public in such a fashion, preferring to focus on process, format and local planning authority efficiency.

18 Government national policy looms large amongst the myriad of factors influencing local planning authority decision-making. It seeks to exert its influence through Planning Policy Guidance/ Statements (PPGs & PPSs) covering a wider range of topics. Many of the important ones have been reviewed and re-published over the past decade. PPG 4 on 'Industrial, commercial development and small firms' (published in 1992) remains the noteworthy exception. In fact the nine English Regional Development Agencies are currently pressing ODPM to review PPG4, as a matter of urgency, to give greater emphasis on economic development and redress the balance with the housing agenda). Neglect of this important means of influencing the weight given to economic objectives in local planning

decisions is difficult to reconcile with the assumption that existing avenues would be exhausted before embarking on this Review. Perhaps the explanation for lack of Government enthusiasm to use a new PPS4 to tip the scales in favour of economic objectives is similar to that suggested in the paragraph above in relation to use of statutory instruments. The CSS would therefore press the Government to undertake a comprehensive review of PPG4 and would offer its full co-operation and expertise to assist with this review.

19 Economic geography and size of authority, in combination, exert a significant influence on the balance of objectives reached in local planning decisions. There is a simple characterisation that authorities tend to place greater weight on economic considerations in locations in economic decline or stagnation whilst more weight is given to environmental factors in locations popular with the market or suffering congestion. On its own, this is too crude to explain the balances reached. However, it makes more sense when we factor-in the tendency of the short-term adverse impacts of a development to be concentrated in the immediate locality and the longer-term benefits to be more widespread across communities and geography (i.e. apart from global warming!). This perspective would explain why large scale developments - of wider than local importance - tend to receive a more favourable reception by the larger authorities than the smaller ones. It may be that this is also why Government continues to rely on county councils handling minerals and waste planning - despite the instinct of successive administrations to devolve all detailed planning control to the shire district councils. (The presumption here is that, if shire districts dealt with them, quarry and waste operators would only be able to get their planning permissions on appeal). This suggests that the Government still recognise that County Councils' are still well placed to make strategic decisions on minerals and waste proposals and therefore this could equally apply to proposals for major housing, commercial and infrastructure developments which are of more than local significance. This factor is a one that the Review should take into account as it has significance not only for energy projects but also major economic development projects.

20 'Sustainability' has recently become Government's hotline to irrefragable decision-making. The concept now finds its way into almost every policy document and pronouncement – including this Review's terms of reference. And in this context, there are two essential elements of sustainability to apply. The first is not new to policy-making. The notion of decisions made now affecting future choices was recognised half a century ago by Sir Geoffrey Vickers:

“... good judgement can only be recognised after a substantial time span. Tomorrow is already committed; but how varied, today, are the possibilities for ten, twenty, thirty years hence. They cannot all be realised; but perhaps one of them might be. For example, the extent to which competing claims for land use frustrate each other and limit our initiative in our ever more crowded island today reflects a century of past decisions; and our initiative or inertia today will help to determine the degree and kind of choice which will be open to the next

generation.” ((Sir Geoffrey Vickers; “The Art of Judgement – a study of policy making” 1965, p15).

The second element of sustainability is equally compelling: it is the balance of environmental, social and economic objectives. Sometimes referred to as the three legs of sustainability, comprehensive and contemporaneous consideration of these objectives is fundamental to the concept. It follows, therefore, that expressions such as ‘environmental sustainability’ or – as in this Review’s terms of reference – ‘economic sustainability’ are non-sequiturs. ‘Sustainability’ as a decision-making guide for the planning system is therefore rendered useless by such adjectives.

Issues

- 21 This paper now turns to commenting on the fifteen issues identified in Appendix 1 to the Barker Review Team letter (24 Jan 06). Consequent on all the above, the conclusions of CSS on the specific issues raised by these questions are as follows:

“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?”

- 22 It is clear that the planning system has always had the built-in flexibility to adjust to the changing weight that Government might want to place on objectives. The extent and degree of intervention of planning in the development process can be changed by statutory instrument – it does not require primary legislation; and Government can signal shifts in policy weights through changes in national guidance.

- 23 Whilst the new planning system is in its early days, it is already evident that it is unduly complicated and procedural, and to a large extent is failing to be speedier and more responsive than the previous system. There is an unrealistic expectation on community engagement (which can be a brake on change and responsiveness) and a complex variety of plans and documents which are not easily understood.

- 24 The process may, with time, deliver both the flexibility and speed that is required, although it is more likely that these aims will only be delivered with the addition of extra resources as by larger planning authorities with economies of scale advantages.

“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?”

- 25 The planning system is principally concerned with enabling the supply of land to meet the needs of our society in, what we now call, a ‘sustainable’ way. It is not designed to deliver those needs (e.g. for hospitals, schools, transport shops, businesses). That is the job of other public and private sector operators. Widening the scope of planning policy beyond that of planning control has burdened the planning system with responsibilities to deliver – usually by agreement (under S106 of the Act) – funding support for public services that have become progressively under-funded. Moreover, it favours locations that are attractive to the market and does little to address the public service needs of rural or declining areas that are not going to experience economic growth. By default, the planning system has become an instrument of service delivery for which it is not designed. The more it picks up areas of responsibility from which others have withdrawn, the more central direction is implied. This, in turn, erodes local discretion and the principle of subsidiarity.
- 26 This issue cannot be divorced from the complexity of governance in England. There are too many layers within the planning system. A single sub-national tier of governance at sub-regional level would be capable of addressing both strategic and local issues. This would enable the planning system to be more responsive to local needs and more accountable to both strategic and local economic needs.
- 27 It is doubtful whether Regional Spatial Strategies (RSS) will develop a sufficiently detailed spatial emphases to take forward the level of local distinctiveness required to set a clear vision and framework for the preparation of LDF’s and the co-ordination of consistent policy in areas with common policy needs. A return to sub-regional strategic planning could set the framework for LDF’s. This approach would better be able to bring together strategic thinking with local distinctiveness.

“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?”

- 28 Sustainability is the key concept for arriving at planning decisions. However, the weight attached to each of the ‘three legs to the stool’ is a

matter of political judgement. There is no 'right balance' that can be prescribed. It is Government's ultimate responsibility to judge the extent and degree to which environmental, social and economic objectives should be taken into account – through secondary legislation and national policy guidance. The job of local planning authorities is to apply the policy and law to the merits of the case in the circumstances of the time and place and for the planning inspectorate and the courts to ensure an appropriate degree of national consistency in the decision-making.

“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?”

29 The basic inference to be drawn from comparison with other countries is that each has evolved its own planning system to meet its particular and unique circumstances. The apparent lack of correlation between economic success of certain countries compared to others (including the UK) and their planning systems is exposed by the fact that their relative position in the G7 league table varies over time without any change in their particular planning regimes. For example, the UK has now overtaken France and Germany in the G7 productivity stakes. The same applies when we look at particular sectors. For example, the currently depressed state of Germany's housebuilding industry, compared to the economic success of the UK's, might suggest that the former is more tightly 'planned' than the latter – which is clearly not the case. On the other hand, thanks to TV Channel More 4+1's 'Grand Designs Abroad', we can see that three tiers of approval stretching over 4 years to finally secure planning consent for house conversions in Tuscany does not discourage the foreign (British) investors.

“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?”

30 Business operators will normally regard the planning system as just another hurdle to overcome, unless of course (and in the unlikely event that) their plans are entirely aligned with the balance of environmental, social and economic objectives set out in Government policy and take account of the impacts on the location. In the real world it would be naive to believe otherwise. As with anyone facing a tax return or driving licence application, the realistic and reasonable expectation is that the process is short, clear and simple, with help to hand if needed, the criteria to be met are explained and responsibility for the decision is clear, the reasons are comprehensible, and finally, that there is the option for appeal. Sadly, the Planning & Compulsory Purchase Act 2004 is very much more complicated than its predecessor, the 1990 Act; expectations and

responsibilities are less clear; timescales for plan-making will be longer with at least 2 and maybe 3 inquiries per plan; and Government officials keep changing the advice on what the process requires. This Act is not expected to do any favours for the reputation of the planning system with business. Building on its so-called 'reforms' would, in this context, be building on insecure foundations.

“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?”

31 RESs are largely top-down instruments of Government policy. Such is their lack of 'bottom-up' calibration to their particular regions that, to a significant extent, they are interchangeable. This feature alone disables them from 'joining-up' with the RSSs that, by definition, are concerned with the land use planning of their particular regional space. There has been a notable tension across the regions between the RES and the RSS, particularly in relation to the differing timeframes. A further constraint is the lack of appreciation of the need for the RSS to balance all three legs of the sustainability stool, exacerbated by the fact that they are produced by a separate agency that is predicated on the assumption that economic policy – or rather funding priorities for economic development – must always prevail. Greater interaction between Regional Planning bodies and RDAs may increase the level of understanding between the two but it is unlikely to produce the desired cohesion of policy being sought. An option might be a merger along the lines of that taking place between RPBs and Regional Housing Boards.

“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 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 appeal system to improve its speed and efficiency?”

32 Whether it is the national football stadium, parliament buildings or rail links to the Channel Tunnel, the blame for major project delays and multiple overspends has not been laid at the door of the planning system. Even the legendary time taken for the Heathrow Terminal 5 public inquiry was due to lack of any national air transport policy – a defect rectified by the December 2003 White Paper – rather than the planning system per se. Looking at other countries' experience with similar projects it is apparent that the main causes for poor UK performance lie elsewhere – such as the lack of clear national policy guidance (as in the case of Terminal 5) or organisational capacity of the construction industry. In this context,

tinkering around with the planning system as such would seem to be missing the point. Furthermore, while there is a plethora of guidance available to the development industry on what evidence (and its quality) they should be gathering together to support planning applications (EIA's, travel plans etc), this guidance should be simplified and clarified. Perhaps the main point is cultural. Contrasting the French and the English approach to major projects, one commentator sums it up as follows: "

"The French government is simply readier to impose its will: if it wants to build a railway line or a nuclear power station, it wills the means, no matter whose back garden it happens to be in. The English (government) not only won't raise the taxes to make it happen, but holds planning inquiries at which every objection from 'Dunroamin can be weighed". (Paxman, J. 'The English – A Portrait of a People' 1998, p. 133).

"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?"

33 We are not aware of any systematic attempt to collect evidence of the direct costs of making a planning application. Where information has been produced over the years it has been largely anecdotal. That said, it is a reasonable hypothesis to suggest that the more complex the system within which an application has to be processed to determination, the more costly it is going to be for the planning authority and the business operator. In this respect, it should come as no surprise if the Planning & Compulsory Purchase Act 2004 adds significantly to the costs of business.

34 The costs in terms of time spent negotiating and the legal support for complex section 106 agreements could be reduced by using simple standard agreements or planning obligations, linked to tariffs established through the LDF process.

"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?"

35 The response to this issue is similar to the previous issue as set out in para. 33 above. It requires objective study but the new plan-making process can be expected to increase whatever costs are identified as being due to 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?"

36 Larger format and ‘colossus-branding’ of business operations, especially those evolved by the North American retail industry, typically meet resistance from the UK planning system. This is mainly due to national policy (PPS6) focusing on town centres and away from the more accommodating out-of/edge of town retail parks echoing the sustainable balance of objectives struck in PPG13. However, in this context, it is worth noting that, in mainland Europe (where economic recovery is less consumer-led), the format of retail operations is generally much smaller (e.g. Aldi, Lidl & Netto). Accounting for scale and cultural differences, it would therefore appear that the sustainable balance between objectives in UK national policy guidance is about right.

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

37 Our impression is that the formation of business clusters and wide economic agglomerations received general positive support from the planning system. Conflicts typically arise when the promoters of such projects are driven by the prospect of capitalising on high property values rather than the objectives of producing new businesses to re-structure the economy. Anecdotal evidence suggests that business operators receive more positive responses from the planning system than property speculators (who, for example, have been known to use ‘high tech’ packaging as a back-door route to getting a Green Belt release for speculative ‘business development’).

“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?”

38 There is no evidence of a skills shortage in this area – not least because the notion of ‘sustainable economic development’ is a non-sequitur. (see para. 20 above).

“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?”

39 See response to issue 5 set out in para. 30 above.

“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?”

40 Retention of much more of the tax income generated by business in a locality would go a long way to balance out the adverse impacts of such developments in the locality. In this respect, the Government's current proposals for Planning Gain Supplement on development are broadly encouraging. However, the concern of business that a return to the days of the old business rate would be 'taxation without representation' again, needs to be addressed. Here the concept of Business Improvement Districts might be considered as a vehicle for delivering the retained tax income.

“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?”

41 In economic terms, 'planning' is essentially a supply-side instrument, focussing on land. Its purpose is to enable the economy – in balance with social and environmental objectives – not drive it. Here the response set out in para. 29 is relevant. The McKinsey report apart, there has been no reason to attempt to correlate economic performance with planning systems. This is unsurprising since, post McKinsey (1998), UK productivity has improved whilst that of France and Germany has weakened, all in the context of largely stable planning systems both sides of the Channel.

42 The planning process is about bringing forward and regulating the use of land. In doing this it can serve the needs of economic development. However, to do it effectively it must be able to better influence and ensure that adequate infrastructure, particularly roads is available. It also needs to ensure that housing and employment needs are planned together. For many parts of the country this means that houses are affordable and this will certainly also be an issue for potential employers. In areas where affordability is a critical issue it is unlikely that the planning system alone can deliver sufficient affordable houses through developer contributions.