



Ms Carmel Howard  
Barker Review Team  
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Dear Ms Howard

### **REPRESENTATIONS ON BEHALF OF CENTRICA**

Centrica is a leading supplier of energy and related services within the domestic UK market, and as such is a key investor and employer playing a major role within the wider UK economy. Centrica is actively pursuing a programme of expanding the services it provides to ensure that development can occur in a sustainable manner. Consequently Centrica has a significant interest in the operation and evolution of the planning system especially in relation to the delivery of development that accords with the Government's sustainability initiatives, and that enables Centrica to continue to provide the highest level of service to both domestic and business consumers. Centrica as a company takes its environmental responsibilities seriously and is supportive of the Government's sustainability agenda.

Centrica is supportive of the review of the planning system and welcomes the independent nature of the Barker Review. We have concerns about the operation of the planning system in a fair and equitable manner and the costs and burdens that the system might impose on new and planned investment. A proper balance must be sought in order to ensure that companies such as Centrica can continue to make an increasing investment in essential infrastructure to allow development to occur on a truly sustainable basis.

Centrica continues to monitor developments in the planning system and is cautiously supportive of the proposals to bring in a Planning Gain Supplement (PGS.) It is considered that further research is required and that the current proposals require further refinement before the PGS can make a valuable contribution to ensuring the successful delivery of the Government's sustainability agenda. In particular proper attention must be paid to how the PGS is used to ensure delivery of infrastructure at the appropriate levels at the appropriate time and to the benefit of the local environment. This must not be a tax on development that is invested elsewhere. Further comments are made later in these representations about the PGS.

Proper planning and provision of utility infrastructure is important to ensure that companies such as Centrica can continue to provide essential infrastructure and the review of the planning system must not lose sight of the burdens that massive growth in development will place on the energy providers.

Centrica welcomes the intention to provide a more streamlined system for the determination of planning applications and is contributing to the new system of development plans where appropriate. Centrica has had experience of the planning appeals system and whilst acknowledging that moves have been made to improve this system consider that the review of the planning system must be comprehensive and must therefore examine the role and performance of the Planning Inspectorate.

With respect to the recent call for evidence in relation to the Barker Review Centrica have the following points to make:

- The planning system in England and Wales has an inherent degree of flexibility that is discounted by the administrative burden that the system is operating under. Changes in policy guidance take too long to cascade down through the development plan system. The planning system should be all about delivering appropriate development within a reasonable time scale, i.e. those involved in delivering the planning system should be more concerned with product and less concerned with process. The process compliant method of working ensures LPA maximise their funding regimes through the Planning Delivery Grant (PDG) but reliance on the PDG has meant sacrifices in the quality of decisions made. The 'delivery agency' approach that has been adopted in respect of the Olympics is a good example of a policy measure that will ensure that a major infrastructure project is delivered within a specified timescale. In order for national guidance to become flexible it should have an explicit lifespan and should be reviewed on a regular basis.
- The review should address the disparity between trained professional officers who interpret the current planning laws and elected planning council officials who determine applications. We have suffered (like others) from applications that have gone to committee with a clear recommendation for approval only to be rejected by lay councillors interested (or influenced) to maintain the status quo.
- The review should also address local needs and issues that may be at odds with national directives. Parking and private transport remain major issues for us around the country. The need to drive to our office locations (providing much needed employment and other benefits to the local economies) is frustrated by central government policy of discouraging car usage, especially where public transport infrastructure is inadequate.
- The scope of plans at the different spatial levels in England is still emerging and it is therefore difficult to say with any conviction what further improvements may be needed to the system. It would appear that it is taking a long time for some local authorities to fully embrace the new system with a number relying on old saved policies that may no longer accord to national guidance. The new plan making process was supposed to simplify the decision making process but there needs to be a greater level of commitment from central and local government to making the system work within timescales that the business community finds acceptable. The new plan making process is not clear, comprising a plethora of documents and the confusion will lead to a policy vacuum. There is a great deal of concern in the business community about how major projects will be dealt with in the spatial policy vacuum that appears to be emerging especially at regional level. With respect to the supply side of Centrica's business it is not possible to plan at the strategic level with any degree of certainty about the medium to long term future especially with regard to the regional level of new housing allocations. This uncertainty has the potential to cause long term difficulties for the energy supply industry when combined with other environmental and sustainability factors that the sector is enmeshed in.
- As a commercial organisation, our first responsibility is to meet our customers' needs for vital services in and around the home. Through our business activities, we are an integral part of local communities, creating wealth for employees, taxes to government, jobs among suppliers and a fair reward to investors who finance the business. We also understand that success in the marketplace can only be sustained if major companies

like Centrica accept and respond to a set of responsibilities to society as a whole. By understanding our impact on society, the economy and the wider environment, we can build positive relationships that benefit the communities we are part of. As a leading supplier of essential services in our chosen markets, Centrica recognises that it has a dual environmental responsibility. Our primary responsibility is for the direct impacts of Centrica's activities on the environment. We look to the planning system to provide the framework between balancing economic and other environmental goals and consider that the proposed planning gain supplement will go some way to addressing the shortfall that is beginning to widen between provision of housing and provision of essential infrastructure. There are however difficulties with the proposed Planning Gain Supplement which has been the subject of a separate consultation exercise. Centrica reserves the right to express concerns about the way in which the Planning Gain Supplement may be implemented and consider that further research is required before it can be properly put into operation. Environmental responsibility lies at the heart of Centrica's corporate responsibility and it is considered that sustainable development should continue to underpin the planning system. The planning system needs to be more responsive to changes in the energy supply networks and markets and needs to be able to react quickly to new and developing technologies.

- The planning regime has a tremendous impact on current and impending business investment. It is widely recognised within the energy supply industry that there is a massive shortfall between renewable energy generation and government targets for the provision of renewable energy. The planning regime needs to be constructed in such a way that it encourages investment in new and emerging renewables technology. One factor that currently impedes investment in this sector is the length of time taken to approve new developments such as wind farms. Given the current commitment to the development of such technologies by companies such as Centrica the existing regime of consents being awarded by the DTI needs investigation and requires moves to speed up decision making and make the process more transparent. Recent reforms to the English planning system are in danger of becoming swamped by the administrative burden that accompanies the new arrangements. Development plans will now consist of a number of documents, each of which has to go through its own validation procedures, and there are no signs that this will make the development plan system more responsive or more efficient. Indeed the new planning system has the potential to frustrate business investment. Furthermore the way in which the new system is being implemented on a piecemeal basis is leading to increasing confusion, particularly in regard to transitional arrangements. Whilst accepting that it is intended that the new system incorporates a more efficient and effective means of making planning decisions it is considered that the piecemeal methods of delivery have already frustrated the clarity that the new system is supposed to provide.
- The planning system remains disjointed from many other interrelated aspects of government policy. There does not appear to be sufficient policy mechanisms between the DTI and the ODPM to ensure a co-ordinated approach especially to applications that receive consent under the Electricity Act. It may be appropriate to consider transferring responsibility for such consents to the ODPM or to introduce mechanisms that share responsibility between the ODPM and the DTI. It is not currently possible to judge how the regional economic strategies are contributing to regional spatial strategies as final regional plans have yet to be approved in many regions including the South East. Furthermore it is not acceptable to have delays measured in years in respect of energy applications and there is a considerable backlog of applications either awaiting public inquiry or consent which must be addressed.

- Planning applications for major projects take too long to progress through the consent regime, with some major infrastructure projects taking a number of years to reach consent. It is considered that the delivery agency approach that is being adopted for the Olympics is a good model of how to attempt to ensure delivery within a tight timescale. More thought should be given to see how this model of delivery could be adapted to suit other major infrastructure projects including the provision of energy delivery projects. The planning appeal system is also in need of fundamental overhaul, and whilst moves have been made to address this issue it is not acceptable to have delays of over six months in waiting for inquiries to be programmed. Centrica is particularly concerned about the quality of decision making within the appeals system and considers that further review of quality assurance within the appeals system is warranted.

## Summary

Centrica is intimately involved in the planning system in the UK and therefore considers that it is well placed to comment on the recent, current and proposed changes to the planning system in England. A prime concern remains the emphasis on process rather than product in relation to both the development plan system and the planning decision making process. Whilst Centrica appreciates that the proposals within the Barker Review have the potential to improve the planning system in England there is a need for a more synchronised approach to the strategic needs of the business community.

It is also appreciated that the Barker Review is wide ranging and that the review of the land use planning system covers matters such as the planning gain supplement, delivery of housing etc. Centrica, in acknowledging our role as a leading energy supplier are happy to engage in dialogue with the government and would recommend that different ways of exploring the experience of large firms such as ourselves are examined.

In conclusion, the planning regime in England has an impact on almost every aspect of the business community within which Centrica plays an important part. The government is therefore urged to take notice of the concerns that Centrica has raised about the way in which the planning system is evolving.

Kind regards,



Grant Dawson  
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Centrica plc