

Date: 27 March 2006

Our ref:

Your ref:

Dear Ms Howard

***BARKER REVIEW OF LAND USE PLANNING: RESPONSE ON BEHALF OF ENGLAND'S REGIONAL DEVELOPMENT AGENCIES "TO CALL FOR EVIDENCE".***

We are writing, on behalf of English Regional Development Agencies (RDAs), in response to the above *"Call for Evidence"*. The different administrative arrangements in London mean that the London Development Agency will be submitting a separate response and have not partaken in this response.

**The New Planning System**

The RDAs recognise that an efficient planning system is a key mechanism in helping to deliver sustainable development and to manage competing pressures. It is important in this respect that the economy is recognised as a positive force in terms of the achievement of sustainable development and is given appropriate consideration along with social and environmental considerations. Economic growth which has been considered and facilitated by the planning system will result in positive social and environmental benefits and necessarily underpins sustainable development.

The planning system can act as a genuinely strategic tool in helping to pursue an ambitious future development strategy. Getting the strategic context right will pay dividends in terms of the effective functioning of the planning system. This also needs to be backed up by robust delivery mechanisms which can translate this strategic context in to practical delivery activity. It is a concern therefore that the planning system is often perceived as being slow moving, arcane and complex.

The RDAs recognise that the new planning system represents a major change in the establishment of a positive and more pro-active planning system. There are many positive steps forward, the benefits of which should not be underestimated. The full benefits of the new system may not yet have come to the fore, there are signs of positive progress in accordance with the objectives set in national planning guidance. There is undoubtedly greater "flexibility" in the design of the system and there are positive signs that LPAs have enhanced their community consultation processes. The political composition of local authorities inevitably means that they take an area-based approach. What is less certain is whether they have enabled fuller participation from other stakeholders, particularly the very diverse business community, in any meaningful way in the plan-making process.

## **England's RDAs**

Each RDA has a statutory duty to prepare and then update a Regional Economic Strategy (RES). The RES provides the strategic framework for each region's economic development and investment. The role of the RES is to provide a shared vision for the development of the region's economy, to improve economic performance and enhance the region's competitiveness.

RESs can have diverse economic "visions", depending on the circumstances of the region in question. They should address economic, social and environmental issues that contribute to the development of the region's economy in a way that recognises regional distinctiveness. The RES should focus primarily on those areas that justify action at the regional level while also providing the context for sub regional and local activity contributing to economic development.

The RDAs all prepare the RESs in the context of the global market place, fully aware of the rapid changes taking place there. International competition, energy supply issues and climate change are all of significant concern. In this global context, RDAs are also committed to delivering sustainable economic development, which they interpret broadly as being development which allows people to satisfy their basic needs as well as having a better quality of life, without compromising the quality of life of future generations. This commitment is not dependent on the individual and vastly different circumstances between the regions.

The RDAs have wide ranging experience of the planning system from both a strategic and a delivery perspective, including:

- inputs in to the development of national planning policy;
- ensuring good alignment between the emerging Regional Spatial Strategy (RSS) and the revised RES;
- responding to the preparation of strategic documents at the local level including Local Development Frameworks (LDFs);
- acting as statutory consultee with regard to planning applications for major development proposals;
- preparing and submitting masterplans and planning applications for the Agency's own development sites.

## **RDA observations for Barker Review**

Below we offer a number of specific observations in order to assist the review team structured as follows:

- National Policy
- Regional Strategy
- Speed and efficiency of the system

- Business engagement

## **National policy**

Planning for economic development.

The RDAs have been concerned for some time that current guidance for employment land (PPG4) weak and should be reviewed as a priority. The last such guidance was issued in 1992, in PPG4. In order to take this position forward the RDAs have commissioned consultants to investigate the problems arising from lack of up-to-date national planning policy guidance on economic development and the case for providing this in the form of a new PPS4. While this work was commissioned prior to the Barker Review of planning being announced the work is still ongoing however some of the preliminary findings are reflected in this response.

The review of guidance in this area is seen as essential in order to counterbalance the much greater priority afforded in recent years to bringing forward new housing. The recent economic stability and success of urban regeneration in many parts of the country's main urban areas underpin the need for regional and local policies to have national economic development policy guidelines as a framework for their own policy formulation, and for employment and associated land allocation/infrastructure provision to be an integral part of the policy formulation in order to lock in conditions of economic growth. This would provide an additional strengthening of the sustainable communities plan.

We have some limited evidence emerging from the above study that there is an economic impact of some marginal employment land being lost to mostly residential development. We will endeavour to provide this evidence within the Barker Review programme. We believe that the provision of a new PPS on economic development should seek to overcome these problems in a way that PPG4 currently does not address.

Furthermore as brownfield sites become increasingly rare due to redevelopment for residential and mixed use, it will become more important still for employment land to be defined/retained in key locations. This is particularly the case where acute housing pressures exist.

The new PPS should reflect PPS1 policy principles for the economy and sustainable economic development (paras. 4 and 5 of the PPS) and address ongoing issues of poverty, inequality and social exclusion. It should expand on the advice in para. 23 (iii) to (vi) of PPS1, on ensuring that appropriate locations for economic development are available, providing for improved productivity, choice and competition, the different circumstances of different local economies, the requirements for associated infrastructure and importantly, ensuring that development plans reflect and coordinate RESs and other strategies, and that they positively identify opportunities for future economic investment. It is seen as vital that the proposed PPS provides

much fuller advice on these issues, so that it can be the primary policy document for promoting and planning for economic development. It has to be a new and up to date statement of the Government's policy approach towards economic development, explaining and covering:

- The definition of sustainable economic development;
- Clear definitions of different types of employment uses, including specifically manufacturing, distribution and commercial development;
- How to promote different types of economic development in appropriate locations (clusters, offices and B1, live/work, mixed use, incubation/starter units, rural, e-business);
- How to safeguard employment sites and the criteria that should be met to bring forward alternative uses and formulate LDF policies to reflect this;
- How to undertake market assessments, monitor and manage employment land portfolios; and
- Advice on bad neighbour development and mitigation measures.
- Monitoring and management of land availability take up rates.

The new PPS should also provide detailed advice specifically on the accommodation of office uses, promotion of brownfield sites, resource issues and the protection of land for specific uses. It should encourage LPAs to work across boundaries where particular economic circumstances make this approach appropriate.

Specifically on office development, the new PPS guidance must ensure that:

- It does not undermine the vitality and viability of town centre uses;
- It promotes sustainability e.g. in relation to transport and linking population to employment;
- It is flexible to enable local circumstances to be taken into account; and
- Its advice does not adversely impact upon the market.

Associated revisions to the Use Classes Order may also be necessary.

### Transport

The RDAs have firm transport infrastructure priorities and are highlighting these with Government. For instance, on 14 March, 2006 Nick Paul as lead Chair on Transport made a presentation to Ministers (including Stephen Ladyman, DfT), and senior officials from Government Departments on the RDAs' transport priorities. One of the priorities is to reduce the lead times for major transport projects. The current length, cost and uncertainty surrounding the planning process is holding back both public and private sector investment in key transport infrastructure, whether airport and sea port expansion or major road and rail projects. The examples cited were; 23 years from vision to opening of the M6 Toll and Heathrow Terminal 5, £45m for the planning application for Dibden Bay Container Terminal at

Southampton Docks which was refused, and £60m legal costs for Heathrow Terminal 5. In addition, such delays are having a direct impact on national productivity and competitiveness.

### **Regional Strategy Integration**

The RDAs view RESs as being increasingly effective and influential in guiding RSS economic policy and thereby economic policies at the local level. The RES and RSS have different purposes, production processes and timetables. Guidance has been published on how the two strategies could be better integrated but experiences are still mixed. By way of example, SWRDA has been working closely with the South West Regional Assembly to ensure that the revised Regional Economic Strategy and the emerging Regional Spatial Strategy share common assumptions about how the economy will perform over the next 10 to 20 years. As part of this process, it has become clear that the level of housing provision planned for by the RSS does not fully reflect the economic growth forecasts estimated by the RES or the growth that has actually transpired over the last 20 years. This may properly reflect political pressures and members aims for a balanced approach which reflects sustainability and protection of the environment, but it clearly has important repercussions for labour supply and economic growth in the region.

There are concerns emanating from a range of negative '*signals*' -increasing house prices and congestion and tight labour markets. There are also concerns etc. However experience in the South West suggests that the planning system has not been (and perhaps never could be) responsive enough to act in a '*plan, monitor, manage*' type way in order to address these issues. This reinforces the importance of getting it right from the outset within the parameters of a national framework. This will help to drive the creation of shared objectives at all tiers of the planning system.

The statutory consultee role of RDAs for major development proposals represents an invaluable opportunity to follow through the RES/input to RSS in to the determination of planning applications. This helps to ensure that the role of major development proposals in helping to deliver the RES is fully considered.

### **Improving the system**

The new system has created a two tier system of development planning, with RSSs being responsible for defining broad locations for development and criteria-based policies which are then being developed into site-specific policies and allocations in the Local Development Documents (LDDs) making up Local Development Frameworks (LDFs). The principles underlying LDFs are supported, in terms of their intended flexibility but already very significant problems with them are being noted by the RDAs.

An example of problems for infrastructure projects and lack of long term certainty from the planning system is provided by Bristol Airport. This is the largest airport and an important economic driver for the South West region.

Its growth potential was identified in the Aviation White Paper. However, the Local Plan has maintained a Green Belt designation across it, which necessitates any new development there showing exceptional circumstances and provides no certainty for the Airport company in terms of future investment. While the latest Local Plan review recently resulted in a recommendation to redraw the Green Belt boundary to permit some development up to 2011, this does not reflect the Aviation White Paper timescale and has delayed preparation of an Area Action Plan for the Airport.

It is the RDAs' view that all emerging plans and policies for economic development at regional and local levels are of necessity becoming more complex and detailed, especially in the absence of an up to date economic development and regeneration policy statement at national level. Extra detail does not always add certainty/clarity and certainly decreases the scope for flexibility in local application and interpretation. It is not at all certain whether the new planning system has succeeded in simplifying and speeding up the planning system.

The RDAs believe that continuing regional flexibility in the context of a strong national policy best suits the aims of economic development and regeneration.

#### Skills

The RDAs consider one of the biggest issues for achieving economic development through the new planning system of regulation and guidance as being the turnover and loss of planning staff resources from all areas of the public sector, at a time when very significant demands are being placed on the planning system by the new legislation, regulations and Government advice - all with the stated aim of speeding it up. Evidence of this shortfall is being felt by RDAs themselves in the recruitment of planners to fulfil their statutory role.

The classification of public sector planners as key workers will help address the resource issue but there is still only a limited *pot* of skilled planners nationally. One of the skills being increasingly absent in LPA departments is considered by the RDAs to be an absence of officers (and members) with sufficient economic development knowledge. The RDAs welcome the current initiatives to strengthen skills and capacity in the planning system and would support continued focus in this area.

The recent Audit Commission report, *'The Planning System, Managing Expectations and Capacity'* (February, 2006) recommended the outsourcing of LPA planning functions as a possible solution to resource difficulties. While it is not always practical to expect a planning authority to outsource development control functions, for example, there should be scope/finances available for outsourcing when necessary or desirable, with LPAs having powers to recover the costs of doing so from applicants.

**Business engagement**

It is important to recognise that it is sometimes difficult for business to engage with the planning system. Invariably the contact between businesses, and particularly small/medium enterprises (SMEs), comes for the first time at the time of the submission of a planning application. By this time, the opportunity to influence the strategic framework against which the proposal will be determined has been missed. Arguably it will be more difficult for businesses to input into the raft of LDF documents that are currently under preparation.

The RDAs welcome the opportunity to respond to this important review of the planning system. We would welcome the opportunity to engage further with the team especially in relation to the study we have commissioned. Perhaps we could arrange a meeting between the review team and RDA staff.

Should you wish to discuss these comments further or arrange a meeting please contact Andy Groves who is the planning and Transport Manager at One Northeast (0191 229 6616).

Yours faithfully

Alan Clarke  
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