

BARKER – KEY POINTS
08/06

EFFICIENCY OF THE PLANNING SYSTEM

Timeliness

- Not just speed but certainty of how long the process will take
- Perverse effects - PDG increased appeals

Appeals:

- Between 2001/2 and 2004/5 applications in London grew by 15% whereas appeals increased by over 80%.
- London accounted for 14% of applications in 01/02 and 13% in 04/05.
- London accounted for 17% of the total appeals in 01/2 and 22% in 04/5.
- Backlog reduced but 2007/8 EIPS of new LDDs.

COMPLEXITY

- Plan making process – **not simplified**: From PPS12:
 - Pre-production** - survey and evidence gathering leading to decision to include a development plan document in the local development scheme;
 - ii. **Production** - preparation of preferred options in consultation with the community, formal participation on these, and preparation and submission of the development plan document in light of the representations on the preferred options;
 - iii. **Examination** - the independent examination into the soundness of the plan; and
 - iv. **Adoption** - the binding report and adoption.
- Move from three to two tiers of planning – but sub-regional plans.

IMPACT ON PLANNING ON INVESTMENT

- Employment land release: standard period of advertisement
- Rate of refusals high in London
- Presumption in favour of development? (PPS1?)
- Financial incentive to give permission – rates
- Complexity of s106, delays to development, replacing other funding – BUT – PGS would stop development
- Increasing complexity is a barrier to entry: house-building in London
- Level of 'interference' deters investment: e.g. PPS3/mix
- Over-lap with other regimes (skills, cost, timing in the process)
- Retail productivity – gains reflected in prices or dividends?
- Role of planning in delivering transport policy is critical: locating development in accessible areas/reducing the need to travel

PLANNING AND SKILLS/LABOUR MARKET

- Transport is critical to London's competitiveness – planning is crucial in delivering infrastructure in a timely way as is Government commitment to invest *Get Capital -> Regulate Energy*
- Support proposal in Energy Review that policy is established nationally and not debated at inquiries
- Retention of industrial land: residential development creates jobs

PLANNING AND PRICE SIGNALS

- The West End is an anomaly – can't determine national policy on a particularly constrained area
- Prices driven by demand as well as supply
- How would it work to link prices to planning- average prices don't work – there are eight sub-markets in the West End

Office Floorspace Demand and Supply

Vacancy Rates	
Central London	6.2%
West End	6%
Mid Town	7%
City	10%

Supply	
Central London	1.4 million m ² (15.1m sq ft)
West End	375,000 m ² (4,041,000 sq ft)
Mid Town	116,000 m ² (1,246,000 sq ft)
City	635,000 m ² (6,831,000 sq ft)

Source: Gerald Eve, July 2006

Market Rental Trends

The information supplied by CB Richard Ellis provides a time series data set for each calendar year and the quarters thereof.

- The Mayfair area of the West End consistently out performs in £ per sq ft terms other areas of the West End office market and other office markets within London
- In the last quarter (Q2) of 2006 office space cost £87.50 per sq ft ERV compared with £37.50 in Canary Wharf which was the lowest cost per sq ft ERV – a difference of £55 per sq ft
- Mayfair is currently experiencing a six year high in office rental values, other London office markets are generally not outperforming

Improvements to the Current Applications Process

Efficiency of the process – the following suggestions would not require amendments to existing legislation or the production of new legislation.

Pre-Application Advice

- Pre-application advice should be seen by both parties as a means to effectively 'draw-up' an application to the satisfaction of both parties prior to the statutory determination period of a formal application so that an application can be determined swiftly within the statutory period once submitted. A cultural shift is required that embraces the opportunity for dialogue prior to the submission of a planning application;
- Planning Authorities should be encouraged to charge appropriately for pre-application advice given to applicants to aid improvement in service delivery but a number of important points provided below should be implemented where possible to ensure the process offers real value for money and a committed approach by the Planning Authority to efficient and quality decision making;
- Pre-application advice should only be provided by qualified personnel – perhaps only chartered Members of the RTPI. The advice should be a firm officer level view and appropriately sanctioned/signed off by senior personnel/management;
- Pre-application advice provided in a meeting between the Planning Authority and the applicant should be followed up in a letter produced by the Planning Authority detailing the content of the meeting and the agreed outcomes;
- Pre-application advice provided by the Planning Authority will only be assessed at the application stage if the applicant works within the parameters set by the advice i.e. the Planning Authority would not be in a position to assess a scheme that represents a significant departure from what was originally discussed;
- The scheme that is submitted for formal determination should be accompanied by a written record of pre-application advice and a written statement detailing how the submitted scheme adheres to the advice provided and how the scheme differs from any schemes tabled for discussion previously (in pre-application advice);
- Planning Authorities should ensure that pre-application advice is appropriately filed / recorded to the site reference in question and transferred to the application during the validation process. This would ensure that the case officer (whoever the application is passed to for assessment) is fully aware of pre-application advice provided by the Planning Authority i.e. a different officer providing a view at pre-application stage should not affect the view of the Planning Authority once the application is submitted for determination;
- The Planning Authority should consult internally with client departments prior to the submission of a formal application, where possible. Developers should provide an executive summary where possible to aid this process.

Consultation Process

- Neighbour notification and consultation letters should be more explicit in detailing the nature of the proposed development. Standard application descriptions do not always make it clear what is being proposed. The descriptions should be more suitable for the lay person thus reducing the level of enquiry related work;
- Neighbour notification letters should be accompanied by a small location plan to aid the consultee in site identification. This could reduce the time demands on case officers by reducing the amount of time spent on enquiry related work
- Neighbour notification letter should be accompanied by an executive summary (1 page) of the development proposal produced by the applicant. This again would aid the Planning Authority in fielding straightforward time consuming enquiry work

Section 106 Agreements

- The drafting of S106 agreements should be commenced by the Planning Authority as soon as an application is registered and validated. Memos should be sent to whoever will be drafting the agreement
- Boroughs should look to outsourcing the drafting of S106 agreements if the legal departments are overstretched/under resourced
- Heads of Terms should be more detailed, earlier in the process. Standard Heads of Terms should be introduced
- Planning Authorities should produce SPG for Planning Obligations as a matter of urgency. This document should of course be frequently updated. Such a document would provide clarity and certainty for the applicant. The document should include formulas for calculating contributions and projects where money will be targeted
- Planning Authorities should provide annual monitoring reports detailing the applicant the S106 funds have been received from; for which development site this concerns; and, whether the allocation has been spent
- The Planning Authority should consult internally with client departments prior to the submission of a formal application, where possible. Developers should provide an executive summary where possible to aid this process. This would ensure the Heads of Terms are in reasonable shape early in the application process
- The draft S106 should be completed within 2-3 weeks of the formal submission of an application and all negotiations completed within 5 weeks to allow for final signing by week

Other Suggestions

- The selective introduction of outsourcing for the drafting of development control decision making case loads.

Responsiveness to price signals

Very dangerous:

- price determined by demand as well as supply
- time lags

In our response to the consultation on Planning for Housing (9/05) on the issue of housing policy being more price-responsive we wrote:

We are concerned with the proposed approach to use house price data to trigger bringing forward. Whilst this might indicate local affordability, it should not be given undue weight as it does not account for time lags (which are significant in the housing market) and is predicated on the assumption that price is determined more by supply than demand; therefore an increase in housing supply is assumed to reduce house prices. This ignores the complex range of demand factors that determine house prices. It could also lead to a situation where popular areas get more attractive as investment is focussed in them and less popular areas continue to decline.

House prices are the result of a number of factors, which are to a large degree demand driven. These include the cost of money; the recent period of prolonged house price increases has coincided with historically low interest rates. Another important factor is desirability which is determined by a mix of factors such as transport accessibility, environment, public realm and built form, quality of schools and other public services, community and other infrastructure, and reputation including crime rates.

House price falls may not be the result of increased supply but the decline of an area such as the result of the development of a road, runway or other infrastructure which is considered to be a bad neighbour.

Although prices are undoubtedly unaffordable in Westminster, this is because of its unique international role. Coupled with this, strategic views and the prevalence of Conservation Areas (70% of the borough) mean that it is difficult to identify land for major housing development. Recognising this, the draft alterations proposed by the Mayor to the London Plan, derived from the housing capacity study, would if adopted, reduce Westminster's annual housing target from 970 units per annum to 705. The target for the central sub-region would reduce from 7,010 to 6,200. This would be contrary to the approach suggested in the consultation paper where continued high prices would trigger land release.

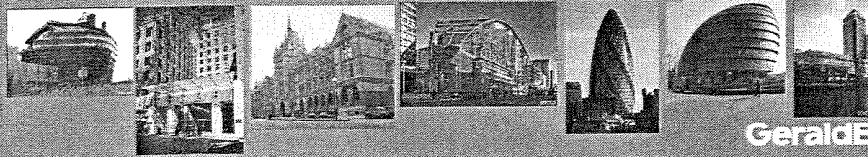
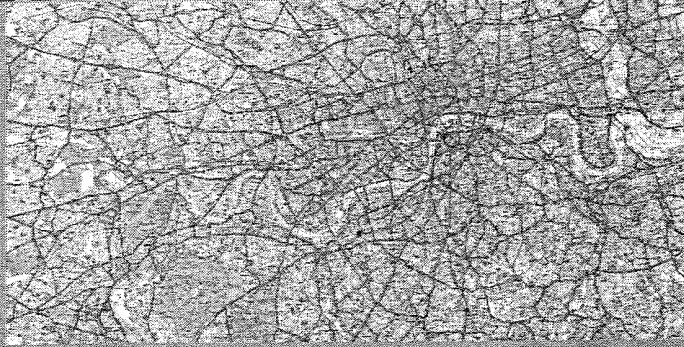
The consequence of the proposed approach would suggest that there should be substantial land release in areas such as Westminster so that prices reduce, whereas an area such as Barking would already be considered affordable and would therefore not warrant significant land release. This approach does not reflect current policy objectives. Analysis of house prices in the central London sub-region would have meant a need to increase housing supply whilst limiting supply in the east. However, the draft housing targets if adopted would result in a decrease in the central sub-region and doubling in the east. Barking which has the lowest house prices, would increase its annual target from 510 to 1,190.

We therefore consider that whilst house price data might be used to inform policy, it should not be given undue weight. Great care should be taken to ensure that data is genuinely comparable and representative. There is no single housing market given the range of locations and stock.

Notwithstanding the appropriateness of using housing data, we would welcome further clarification on what data is proposed to be used and how it will be derived and agreed by all parties. The size of London's sub-regions, larger than other cities, is too large to be able to attain realistic and representative data. For example, the central sub-region contains Westminster (which includes Kilburn, Mayfair and Paddington), and Southwark (which contains the Elephant and Castle and Bermondsey). We are concerned with the lack of local authority expertise in collecting and interpreting such data and therefore being able to respond appropriately.

Established Central London Markets

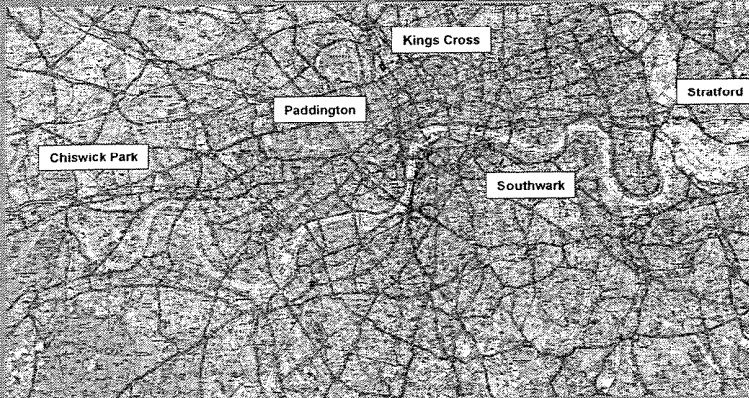
Hammersmith	West End	Midtown	Victoria	City of London	London Bridge	Canary Wharf
A £30.00 B £27.00 C £22.00	A £85.00 B £60.00+ C £40.00+	A £45.00 B £32.50+ C £25.00+	A £55.00 B £37.50 C £37.50	A £52.50 B £37.50 C £25.00	A £42.50 B £35.00+ C £25.00+	A £42.50 B £32.50 C -



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Up and coming markets

Chiswick	Paddington	Southwark	Kings Cross	Stratford
A £35.00 B £27.50 C £ -	A £45.00 B £35.00 C £25.00	A £37.50 B £27.50+ C £17.50+	A £37.50 B £30.00+ C £22.50+	A £15.00 B £10.00 C £ -



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Region	2001/02		2002/03		2003/04		2004/05		2005/06		Apps decided		Apps decided	
	Total	% Total	Total	% Total	Total	% Total	Total	% Total	Total	% Total	Total	% Total	Total	% Total
London	2284	17%	2549	17%	3236	18%	4178	22%	3542	17%	8680	13%	3542	17%
EM	865	6%	943	6%	1100	6%	1176	6%	1455	7%	52600	8%	1455	7%
EE	1732	13%	1893	13%	2337	13%	2112	11%	2589	13%	77500	12%	2589	13%
NE	343	3%	395	3%	419	2%	513	3%	611	3%	27100	4%	611	3%
NW	1139	8%	1255	8%	1539	8%	1693	9%	1781	8%	74000	11%	1781	8%
SE	3404	25%	3683	25%	4389	24%	4129	22%	4994	24%	123100	19%	4994	24%
SW	1664	12%	1883	13%	2514	14%	2332	12%	2924	14%	87900	14%	2924	14%
WM	1119	8%	1193	8%	1355	7%	1392	7%	1666	8%	56800	9%	1666	8%
YH	948	7%	1097	7%	1290	7%	1223	7%	1493	7%	59600	9%	1493	7%
TOTAL	13498		14991		18179		18748		21175		645400		21175	

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Source: PINS and DCLG planning applications decided by region (table 1.3)

