

BARKER REVIEW OF LAND USE PLANNING

RESPONSE BY WILSON BOWDEN PLC

1. Wilson Bowden plc is both a volume house builder and a major provider of commercial property for sale in the market. We build over 5,000 houses per annum across the full range, from single person apartments up to four and five bedrooomed detached homes. We also provide over one million square feet of commercial property in all the major sections of the market, including retail, office, industrial and leisure on both a bespoke and speculative basis.

In view of this experience, we are uniquely placed to comment on the impact of the planning system on the ability of the housing and development industry to deliver the product required, both by the consumer (house building) and by the commercial property occupiers who drive the economic performance of the U.K.

2. REPLIES TO THE QUESTIONS IN ANNEX 1

- 2.1. **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?**

Too often the planning system seeks to dictate rather than respond to the changes required by globalisation, demographic change, natural resource pressures and environmental change. This inevitably makes it slow and unresponsive to the requirements of the market place.

The complex and convoluted process of reviewing strategic and local plan policies, requiring lengthy consultation and public examination coupled with substantial lack of resource and incentive in the bodies who are charged with responsibility for delivering them means that they take longer than expected and are relatively inflexible. Consequently the policies are almost always out of date and unable to respond to the respective local markets. An example would be the continued failure to release sufficient land to meet housing demand in the economically buoyant South East. A factor that will be exacerbated by the latest household projections figures showing a 10% increase on the previous 2002 based projections.

Fortunately this predicament is beginning to be recognised as evidenced by the recent Treasury report on 'Delivering Decision Making: 3' which acknowledges that the system needs to be flexible and responsive to the changing needs of sustainable economic development. As to whether the latest round of Planning Reform consequent upon that Planning & Compulsory Purchase Act 2004, will deliver this, it's too early to tell. Once bedded down, which won't be until post 2009, the process may prove both proactive in its policy approach and sufficiently responsive to change.

- 2.2. 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?**

Since the new system has some way to go before it has fully worked through, it is impossible to say whether the scope of the current plans and the national/regional/local balance is correct. Indeed current evidence from local planning authority Local Development Schemes is that the full complement of Local Development Documents will not be in place until 2009. Notwithstanding this, there is already evidence emerging (see South East Regional Plan and the East of England Regional Plan) that the Regional Assemblies are not prepared to deliver National Government Policies. Inevitably this means that subsequent Local Development Documents will not reflect the spatial requirements of the market place. As such there is already a great deal of tension between national policy objections and the local delivery mechanisms. With this in mind there needs to be a better interface between the national, regional and local level.

- 2.3. 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?**

The current system tries to strike a balance between all of the elements of sustainability. The result of this is that it is inevitably

over-prescriptive. The prescription seems to be based on popular fears and concerns and perceived problems, rather than on genuine evidential analysis. This often leads to inappropriate regulation allowing vociferous lobbying groups to distort the balance which the system seeks to achieve.

A good example would be the popular concerns about “concreting over the countryside” which has led to town cramming as a result of the current sequential test and density requirements set out in the national housing policies. There is no evidential support for the “concreting over” argument (rather the reverse) but the policies are resulting in over-development, smaller homes, pressure on inadequate infrastructure and a general failure to strike the requisite balance.

The solution revolves around a robust conflict resolution process that is grounded on a verifiable evidential base. Clearly the decision arising out of that process will be a trade-off between competing resources and points of view. However, providing that it is based on facts and the process is transparent, with full stakeholder engagement, then that is the way forward. Clearly once a decision has been reached by such a process it needs to be binding in order to provide certainty.

2.4. What, if anything, could the English planning system learn from the planning and consent systems operated in our countries on order to respond to this new economic environment?

There may well be improvements in the system that could be learned from other countries but at the end of the day England has to develop a system that responds to its own distinctive culture.

2.5. 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?

Currently the planning system impedes business investment by failing to allow the release of a suitable flow of employment land to allow for both indigenous growth and inward investment into England. Generally speaking, the transparency of the system is not a priority for businesses who simply want certainty of supply in a fast moving market. The logistics market is a classic example of this, with rapid response by the provision of

commercial floor space essential to expanding logistics businesses led by “just-in-time” procurement.

There is, as yet, no evidence that the latest reforms have provided greater transparency or effectiveness. It is not clear that greater transparency will provide greater effectiveness in any event.

As for further reforms it is important that PPG4: Industrial and Commercial Development and Small Firms is quickly reviewed. Its guidance dates from November 1992 and is now out of date, e.g. consideration needs to be given to the status of live-work units in mixed-use schemes; the re-use of employment land; and the need to cater for the more footloose hi-tech sector.

2.6. 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?

The latest round of Regional Economic Strategies are starting to reflect the land use requirements which will inform the Regional Spatial Strategies. It remains to be seen whether this will translate into effective “joined up” economic and planning policies to enable the planning system to react rapidly and effectively to the pressures for economic growth. Because the whole system is ponderous it is currently not responding to the requirements of the market place. An example would be the desperate shortage of good quality employment sites in the East Midlands.

The proposal to integrate Regional Housing Boards and Regional Planning Boards is a move in the right direction and provides a model for the practical integration of Regional Economic Strategies with Regional Spatial Strategies. A current example of such an approach is that of London where the GLA has facilitated joined-up thinking between economic and spatial strategies, as demonstrated in the London Plan.

2.7. 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?

With major planning applications, the emphasis should be on the quality of decision making not necessarily speed. Having said this, it is clear that timely delivery of consents is important to the credibility of the system. Inevitably, the system operates at the pace of the slowest stakeholder and too often it is hijacked by marginal considerations or vested interests with consultees using their position to “blackmail” those seeking to ensure expeditious delivery of the consent process. Prime examples of this would be the Highways Agency and the Environment Agency who have no incentive to deliver rapid, high quality decisions. Equally there are no sanctions which can be applied, leading to frustration in the system.

The process could be greatly assisted by better project management where all parties work to an agreed programme. In this regard the Planning Delivery Agreements currently being trialled by ATLAS are seen as a positive move forward. Indeed, when combined with dedicated fast track delivery teams (i.e. joint officer and development partner working) it will result in a more streamlined decision-making process.

2.8. 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?

There is no evidence that the costs of making an application, or the associated information requirements, are deterring investment. It is the uncertainty and delay and the complex nature of the system which deters engagement by the business community. One way of bringing more clarity and certainty to the process would be to improve both the quality and quantity of resource in the regulatory authorities both at Executive and Member level and to encourage a more interactive approach between applicants and the planning authorities. This should be enshrined in a National Code with sanctions for authorities who do not comply.

2.9. 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?

Clearly the lack of availability of suitable land with planning permission, whether for housing or employment development,

drives up land prices. Since consented land is the basic raw material for any development it is inevitable that the cost of land will increase the cost of development. There is no evidence of imperfect competition or lack of transparency in the land market save that the public sector is generally failing to release land timeously for development. The economic impact of the lack of consented land is to inhibit growth opportunities for industry, whether due to lack of quality expansion space or lack of a locally available supply of labour. More rapid release of consented land for housing and employment is the solution.

2.10. 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 complexity and uncertainty of the planning system makes it expensive and time consuming to engage with. This inevitably means that it is only those with sufficient time, resource and tenacity and for whom engagement with the system is an imperative (eg the house building and development industry) that will be prepared to fight their way through the system. For non-property related businesses, the system creates a barrier to entry and expansion. Creating a less prescriptive, more flexible, approach to certain tiers of applications might well assist, eg special planning zones for business premises, delegated authority for householder development proposals.

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

By and large the planning system fails to effectively support innovation through fostering the formation of business clusters and the wider agglomeration of economic activity. The system is designed and/or used to prevent unwelcome development rather than encouraging a proactive response to fast moving economic requirements. Hi-tech and fast-moving industries, eg the motor racing industry and the bio-sciences industry, will eventually be driven overseas unless the system can respond more rapidly to their needs.

2.12. 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?

Planning authorities do not have the skills and resources required to help promote sustainable economic development. Many are struggling to produce their new style Development Plan Documents. Indeed the Planning Inspectorate Policy Director Leonara Rozee has recently announced (Planning Officers Society Annual Seminar) that only 21, out of the expected 69, new style Local Development Documents will be ready for examinations this summer, i.e. April to September. A matter complicated by associated requirements for Annual Monitoring and Review of housing and economic trajectories, as well as Housing Market Assessments and the prospect of administering the proposed Planning Gain Supplement. For some authorities it's a case of reform overload.

A major programme, from the higher education graduate level training through to tailored on the job tutoring, plus the allocation of further financial resources, is required to enable the system to respond.

It may be that a trouble shooting team at a Regional or Sub-Regional level should be retained to assist with the larger and more complex policy and process issues rather than leaving smaller district authorities to respond individually. In this way proper strategic decisions can be made to benefit market areas rather than the traditional narrow approach which is now evident, eg local district councils failing to release employment land to enable the City of Leicester to expand.

An example of emerging good practice in this area which is worth replicating concerns North Northamptonshire where the local authorities have set up a joint planning unit to plan for growth associated with the Government's Milton Keynes and South Midlands Growth Area.

2.13. 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 difficult to say whether the new system is engaging the relevant sections of the community. It certainly allows single interest pressure groups to dramatically increase the time and cost of decision-making. By and large most SME's do not have time for engagement but they expect the system to produce a suitable supply of appropriate premises to enable them to drive their businesses forward. Generally speaking, engagement with the system will be left to the representative trade bodies, eg Chambers of Commerce, CBI, IOD etc who tend to be under-resourced. This is an important factor as these are complex and

technical matters enshrined in a regulatory framework which require knowledge and understanding in order to respond.

An area where further change is warranted centres on the requirement to produce Statements of Community Involvement. At present each local planning authority produces its own statement. To date these documents have varied in size and complexity, but all contain the same basic messages. Accordingly there is scope to introduce a standardised statement that authorities can either adopt, or adapt to their needs. This would save on staff time and resource, which would be freed-up to work on the more complex Development Plan Documents.

2.14. 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 of the wider community and regarding proposals for economic development?

The current political nature of the system tends to militate against decision makers taking a strategic view and looking at the longer term interests of the wider community. All too often a short-term parochial approach is adopted. Whilst fiscal incentives need to be introduced to encourage a broader view to be taken, they must be coupled with fiscal sanctions where local decision-makers ignore and subvert regional and national policies for economic development. Accordingly clear sets of economic targets need to be formulated to provide benchmarks against which local performance can be measured.

2.15. 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?

Distinction needs to be made between planning policies and planning process. Much of the criticism of the system is about the way in which the process inhibits delivery of suitable planning policies. Developing clear-sighted joined-up economic and planning policies can enhance the performance of regions, sub-regions and city regions as well as at the local level. However, all too often the system falls prey to local vested interests and the process enables them to frustrate the strategic objectives. Clearly, streamlining the processes and encouraging a cross-boundary, multi-disciplinary cross-departmental approach would improve the system.

3. INFRASTRUCTURE

One of the main inhibitors to the effective and efficient working of the planning system is the uncertainty surrounding the delivery of suitable infrastructure to support development at all levels. This includes both physical and social infrastructure. It is this uncertainty which encourages manipulation of the system to prevent or delay developments.

We believe that until a clear and coherent national policy indicating how appropriate infrastructure for sustainable communities can be delivered at national, regional and local level is formulated and adopted (maybe in the form of a national plan) then the planning system will consistently fail to deliver the correct balance between social, environmental and economic requirements in a timely and effective manner.

4. CONCLUSIONS

Currently the culture in England is “anti-development” (see the recent survey produced by the Saint Consulting Group). This is a natural reaction since local communities will always respond adversely to developments which may turn out to be “bad neighbours” and may increase pressure on outdated and inadequate infrastructure facilities.

It is essential that we change the national reaction to development proposals to one of support and encouragement for development which strikes the balance between economic performance and good quality design which respects the needs of local communities and the environment. If we fail to do this people will continue to use the prescriptive, complex, expensive, time consuming, and inhibiting planning system to frustrate comprehensive sustainable development.

The planning system should be a filter to ensure the production of high quality sustainable developments. It should be aiming to produce well-informed, efficient decision-making based on a clearly understood strategy, ie it should be a force for good. Unfortunately, what we now have is a system which does not guarantee high quality decision-making and is stifling the economic growth of the country.

The new Development Plan System introduced by the Planning and Compulsory Purchase Act 2004 is labouring its way through the multi-layered plan formulation process and will not be fully operational before 2009. Because of its cumbersome and sequential nature, it is already in danger of not taking account of current and up to date information, eg the latest household projections. This may well mean that by the time we have full plan implementation (2009) much of the country will be covered by plans which are out of date and unresponsive to local needs.

In the meantime, the system is, at best, delaying the delivery of high quality, high speed planning decisions and, at worst, is being used by recalcitrant authorities to delay and frustrate all forms of development. An urgent and major commitment is required to speed up this process by putting more resource and impetus into the system at central government level. This is as important to the economic future of the country as providing adequate funding for the health and education systems. It should form an important part of the national agenda.

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