



Kate Barker
C/o The Barker Review Team
HM Treasury
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Sent by email: barkerreview@hm-treasury.gov.uk

28th March 2006

Dear Kate

Barker Review of Land Use Planning

The British Property Federation (BPF) welcomes the opportunity to respond to your call for evidence in reviewing the land use planning system in England.

With the Planning-Gain Supplement proposals eating out large amounts of our time over recent months, we have structured our response based on what we feel are the headline issues that need addressing to ensure land use planning functions effectively.

The BPF would welcome an opportunity to expand on our recommendations with you over the coming year. At our scheduled meeting on the 11th April it might be useful to identify specific areas from our response which you think would be of greatest assistance to you, particularly in relation to matters dealing with major planning applications.

We do hope our response provides you with some clear pointers which the new planning system needs to address and look forward to discussing these with you in more detail next month.

Yours sincerely

A handwritten signature in black ink that reads 'Faraz A. Baber'. The signature is written in a cursive style and is positioned above a thin horizontal line.

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A British Property Federation submission to:

Barker Review of Land Use Planning

March 2006

Summary

- **At present the planning system is unnecessarily complex, has too many layers of bureaucracy and is consequently viewed as an obstacle to, rather than a facilitator of, development.**
- **It is difficult to see how each of the spatial plans integrate with one another. The documentation which forms each spatial level, and in particular the Local Development Framework, is unnecessarily long and simply a repetition of national policy. As a result, the planning system is now more complex to interpret than ever before.**
- **Greater certainty in the decision making process is still missing in the current planning system.**
- **The level of integration of policy formulation amongst the different tiers of Government is still missing, particularly the relationship of plan-making at a regional to local level.**
- **The biggest deterrents to property development and investment are the indirect costs caused by delays in the planning system.**
- **The ability of the planning system to react in a responsive manner to business needs can help achieve the necessary environment for economic development. However, encouraging, and achieving, sustained economic growth goes beyond the remit and role of land use planning.**

About the British Property Federation

The British Property Federation is the voice of property in the UK, representing companies owning, managing and investing in property. This includes a broad range of businesses comprising commercial property owners, the financial institutions and pension funds, corporate landlords, local private landlords, as well as all those professions that support the industry. The British Property Federation estimates that its members manage property assets worth approximately £200 billion.

The property industry is a vital component of a successful economy. As an industry, commercial property contributes 6.2% of UK GDP, which makes it larger than the financial services industry and, combined with residential property, the sector employs nearly 2 million people. In 2003, net investment in productive property was £52 billion - 32% of total investment in the UK. Just over 20% of commercial property in the UK is held by UK-based pension and insurance funds, meaning that most people in the UK have a stake in our industry as pension fund members.

Responses to Annex 1:

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?*

At present the planning system is unnecessarily complex, has too many layers of bureaucracy and is consequently viewed as an obstacle to, rather than a facilitator of, development.

The BPF believe that the current development control system actually consists of three distinct areas: 1) Major Infrastructure Projects; 2) Large and Business Applications; and 3) Small and Householder Applications. Applications from each of these aspects require a very different decision making approach.

Since the enactment of the Planning and Compulsory Purchase Act 2004, the planning system has been in a state of flux as it tries to adapt to the new provisions coming in to place.

In theory, the new style plans that are being introduced, including the various different documents which make up a Local Development Framework (LDF), are meant to be a more flexible and an 'easier to engage with' approach to planning. Whilst it is too early to make firm judgements on how the new style plans are going to work in terms of flexibility and responsiveness, there are a number of immediate observations which suggest the theory is not being put into practice.

A key concern of our members is the number of documents that are required to be submitted with a planning application. The documentation necessary to support a planning application can involve a number of specially commissioned technical reports, which are both time consuming to produce and costly for the applicant. The added value such supporting documentation provides is questionable, particularly as the Local Planning Authority's (LPA) ability to process and decipher this information is often limited. It can also be argued that the technical details now required for many major planning applications submitted by our members do not help to promote active engagement with the general public, such is the volume of paperwork and technical detail now needed to accompany planning applications.

The level of detail required to support a planning application should not be cumbersome, but should be appropriate to what the scheme is trying to achieve. The BPF suggest that the number of documents which need to go out to consultation should be reduced. This would be a big step forward in removing the unnecessary delays and frustrations the new planning system is beginning to have on both consultees and users of the system.

With the advent of Statement of Community Involvement (SCIs), many LPAs have been simply replicating a common approach to engaging with the community. The BPF understands that the first set of SCIs which were published were of a poor quality and that further improvements were necessary. For a system which is meant to be faster in delivery, we are unclear why there is a need for the SCIs to undergo an examination by the Planning Inspectorate (PINS) before they can be adopted. This seems to be unnecessary, costly and provides no real benefit.

It should be recognised that with any new planning system, best practice will only follow after a trial and error phase. The BPF recognise that as the new system continues to go through its teething stages, and if the principles outlined in the 2004 Act are adopted in the spirit they were intended, an efficient planning system could result. LPAs should be encouraged to produce documentation which forms the LDF in a concise and strategic manner.

Whilst planning fees have increased substantially since April 2005 and Planning Delivery Grant has been supporting cash-strapped planning departments, there has been little or no analysis of whether this has helped to improve the resource crisis. If the new planning system is to be given a real opportunity to be tested, LPAs will need to be properly resourced to deliver and maintain their local development documents and the other supporting documents which form the LDF.

The ultimate aim should be to reduce the time taken to make a decision on major planning applications; this is one of the biggest constraints BPF members face. The delays are mainly caused by LPAs not having the skills and resources to handle such applications, in part due to sheer volume of householder applications that officers have to deal with. However, as the new planning system tries to engage with wider community groups, and has taken a more rigorous step towards environmental and sustainability issues, there needs to be a balance between these processes so that the growth and stability of the English economy is not unnecessarily stalled by what, in the context of major schemes, could be considered to be relatively minor issues.

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?*

It is difficult to see how each of the spatial plans integrate with one another. The documentation which forms each spatial level, and in particular the Local Development Framework, is unnecessarily long and simply a repetition of national policy. As a result, the planning system is now more complex to interpret than ever before.

Regional level

In principle we endorse a regional spatial planning process as we believe this helps provide a strategic overview. However, it is essential that the various regional plans, the Regional Spatial Strategy (RSS) and the Regional Economic Strategy (RES) in particular, are properly integrated.

BPF members currently find it difficult to engage at the regional level, largely because the scale of the plan is seen as too remote from their own interests. Those members who can identify an interest, are often unable to commit the level of resource necessary to make a meaningful input into the development stages. The BPF are concerned that a small group of regional officials who have no democratic mandate are approving the policies and plan-making processes, making the outcomes more likely to be challenged in the courts by those who oppose them. Should this situation arise, the whole regional spatial planning process may need to be reconsidered by some form of elected regional body.

It is essential that the unelected regional panels that are drafting the RSSs are as broadly representative as possible. Therefore, where members of the business community are interested in having an involvement in the development of the regional spatial strategy, their input should be encouraged.

Sub regional level

The interrelationship between the different spatial levels of land use planning is still emerging under the new planning system. Early indications suggest that the system has not yet fully

integrated. For example, we are noticing that cross boundary documents, such as Joint Core Strategies, are not being developed in a collaborative manner, with both timing and geographical boundaries differing between each LPA.

Local level

At a local level the plan making process now consists of at least nine separate heavyweight documents that form the new style LDF. The development of these new documents by LPAs has placed a major drain on their resources.

The output of documentation that forms the LDF is of real concern to the property industry. For example, our members have commented that a number of the Local Development Documents (LDDs) that have been produced are unnecessarily long, and are simply a repetition of national policy. Some LPAs are simply reciting Planning Policy Statements verbatim in their respective LDDs.

The overly complicated LDDs are not the only areas of concern. Many other documents which make up the LDF, including the Strategic Environmental Assessment and the Sustainability Appraisals, are facing similar issues.

If LPAs continue to produce exhaustive documents for each part of the LDF, it is likely that, by the time the final suite of documents is complete, the earlier documents will no longer be valid.

It is clear that LPAs are taking a precautionary approach in developing their LDF documents by trying to include copious amounts of information without acknowledging the need for the documents to be short and succinct. This has resulted in many planning departments becoming over-stretched in handling day to day casework, as well as dealing with the transitional move to the new planning system. Some form of middle ground is needed to guide LPAs to produce succinct documents.

Unless the reader has a background in planning, most stakeholders will find it difficult to grapple with the myriad of acronyms and jargon that now accompanies the new plan making process, whether at a national, regional or local level. This, combined with the complexity of many of the LDFs that are coming forward, is of particular concern as the ethos of planning is to engage wider communities in the process.

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 BPF recognise the importance and need for the planning system to encourage and police sustainable development in the built environment. With no centralised policy in place that deals with sustainable development, a number of LPAs have produced their own individual strategies; these could have simply been set at central Government level. The recent Government announcement for a PPS on Sustainability is a welcome move and should help to generate a degree of consistency and reduce the time being taken to produce these documents at a local level.

As the new planning system tries to engage with wider community groups, and has taken a more rigorous step towards environmental and sustainability issues, there needs to be a balance between these processes, so that the growth and stability of the English economy is

not unnecessary stalled over what, in the context of major schemes, could be considered to be relatively minor issues.

There needs to be greater integration by central Government departments in achieving sustainable development. This can also be said for the plethora of Non-Governmental Organisations (NGOs) that exist; many have competing views on issues which make it difficult to gauge how to achieve sustainable development.

The divergent nature of the sources and definitions of how the planning system should be used to encourage sustainable development is mirrored by LPAs' policy on the issue, which can differ significantly from one to another. In London, however, the Mayor has produced a supplementary planning policy which stipulates that all development over a given size must produce 10% of its power through onsite renewables. Many London Boroughs have now adopted this as their own sustainability policy.

The notion of a sustainability strategy/guide for planning is important and the onsite policy has produced a level of consistency and certainty within London. However, the Mayor's guidance is somewhat aspirational, and in many cases will not be viable. Perhaps some other means of securing a renewable energy source would be more appropriate, rather than an upfront cost.

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?*

We have no comment on this question.

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?*

Greater certainty in the decision making process is still missing in the current planning system.

The uncertainty and time taken to reach a planning decision does not give the business community confidence when submitting development proposals. The costs to our members associated with such delays run into millions of pounds. This log jam also follows through when appealing planning decisions made by LPAs. One unintended consequence of performance targets has been that major or complex schemes have been rejected, not necessarily on the merits of the scheme, but because the timescales required by LPAs to fully consider the proposals and the resources available were limited.

The BPF, in collaboration with the National Planning Forum, have pioneered Planning Delivery Agreements as a potential way of finding an approach which does not penalise the LPA for failing to grant a decision within the 13 week timescale; instead a time frame is agreed between the LPA and the developer. If the pilots are deemed to be successful, this will go some way to providing a framework for handling major or complex planning applications where both parties (LPA and applicant) can see scope for a greater level of transparency in the decision making process.

Government has not used the planning system in schemes which it believes are of national importance. Canary Wharf, the Channel Tunnel Rail Link and currently the Olympic site are all schemes which have been put through a separate mechanism, in the form of a Development Agency/ Corporation or given special legislative powers, to ensure they are delivered, without being solely reliant on the existing planning process to see them through.

This does not demonstrate Government confidence in the planning system, but is a clear indication that it perceives the planning system impedes delivery.

The BPF consider the recent planning reforms have done little to encourage business investment; the future prospects are not looking good, as the proposed Planning Gain Supplement will further add to the costs of the planning system.

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 level of integration of policy formulation amongst the different tiers of Government is still missing, particularly the relationship of plan-making at a regional to local level.

The function of the planning system spans as many as seven separate Government departments, ranging from transport issues through to minerals and waste management. It is questionable how much integration takes place at central Government level in achieving sustainable development. An example of how the planning system crosses central Government is reflected by the large number of studies and reviews being undertaken by four separate departments. We trust the outcome of the recommendations made in the Energy, Eddington and Lyons Review will be considered in the summation of this review.

The sheer amount of Government policy that is being published at all spatial levels makes it very difficult for stakeholders to keep up with the pace of change. The level of policy integration made by the planning system is questionable, particularly between the interface of regional, sub-regional and local policy making.

There is a need for greater integration of land use planning with economic strategies. For example, we are unclear how the Regional Spatial Strategy should take into consideration the objectives set out in the corresponding Regional Economic Strategy, and vice versa? The Budget 2006 report contained a great deal of praise on the synergy that exists between these spatial strategy documents, but, in our view, there is little evidence so far of practical delivery of the objectives set out in these documents.

The Government announced their intention to create a National Advice Unit to assist Regional Assemblies with housing allocation numbers through centrally appointed Regional Executives. Alongside this move, the Regional Assemblies have also seen the merger of their regional housing and planning boards into one unit. The BPF are unclear, what, if any, impacts housing supply targets set by these boards will have in the current set of LDFs that are being produced. We feel there is little or no consideration in this area between national, regional and local levels.

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?*

First and foremost, the planning system should deliver a predictable service. The issue here is not necessarily about encouraging decisions to be made quickly, but to ensure that the level of service provided is to a consistent standard, and that applications are considered on their individual merits.

The BPF have been concerned over the way targets have driven LPAs' processing of major planning applications. There have been cases where LPAs, in their bid to meet their targets (which are linked to the amount of Planning Delivery Grant given), have requested a withdrawal, refusal or request for resubmission of a planning application. In view of the sensitivity of such practices, it is hard to quantify the extent to which they are taking place. Although there is evidence of such practices, it is difficult to cite actual examples as applicants fear that it may tarnish their future relationship with the LPA. However, it is increasingly clear that the target driven process is affecting the quality of decision making.

One approach which is seeking to tackle this issue is the use of Planning Delivery Agreements, currently being piloted by a number of LPAs, which BPF was a principle proponent in developing (see response to question 5).

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?*

The BPF supported the need for an increase in planning application fees in April 2005 on the basis that there would be an increase in the quality of service being delivered by LPAs. Nearly one year on, BPF members have not seen a marked improvement to suggest that the increase in revenue has made a significant impact in the level of service received.

The biggest deterrents to property development and investment are the indirect costs caused by delays in the planning system. In the majority of larger applications developers will use debt as a means of funding schemes, and as delays occur, interest payments roll up. For example, a one year delay on a recently completed large central London mixed use scheme would have cost the developer £7.5million.

The quantity and nature of the supporting documents dramatically increase the cost of submitting a planning application. The major concern of the BPF is that these documents actually add little value to the process. At present, applicants are required to submit a large number of reports that are produced by specialist consultants to a very high technical standard. They are then submitted to the LPA for consideration. Planning officers do not have the specialist skills to judge the majority of the content of these documents. The problem is exacerbated as the time driven targets for decision making mean that officers have to speed read these documents. Unless an LPA uses specialist (and potentially very expensive) consultants, it is difficult to ascertain how important the various reports are in determining a planning application, other than putting a tick in a box to recognise the fact that they have been produced.

The new planning system has community engagement at its heart and, by increasing the scope and technical content of planning applications, there is a risk that those members of the community that wish to participate in the planning process will either be discouraged, disinterested or even disenfranchised by the volume and complexity of the information available.

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?*

Land use planning is one of many factors that determine occupation costs and consequently it is extremely difficult to generalise about the causes of high occupation costs in England.

The BPF believe that the factors affecting high occupation costs in England go beyond just the planning system and are, by and large, determined by the finite supply of land in the core areas of economic activity such as London and the South East.

The new strategic plan making system has the potential to minimise the impact of planning on the occupation costs. The formation of the RSS and LDF will obviously rely on a variety of different evidence sources; first amongst these should be the Regional Economic Strategy. Integrating the strategic land-use plans with the economic strategy will go some way to ensuring that commercial use of land is given an equal footing to other competing uses, thereby minimising occupation costs as much as possible.

Arguably the present situation of high occupation costs is partially driven by an inability of the supply of infrastructure to keep up with demand. This has seen the development of dense clusters around existing transport hubs and other critical aspects of infrastructure. Without the provision of supporting infrastructure, the supply of commercial property will continue to be limited. It is essential that supporting infrastructure is developed alongside all areas earmarked for economic activity.

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?*

The planning system is a means of delivering social, economic and environmental policy, so any impacts on competition are a direct result of the balance between these three policy areas.

Though the BPF recognise and understand many of the supply problems facing the housing market, the value of land zoned for residential use far outstrips the value for any competing commercial use. It is therefore essential that the land-use planning system recognises the importance of economic land-use and is not overwhelmed by the pressure to deliver housing.

Changes in Government planning policy can have an instant and telling affect on the market. For example, the 'town centre first' policy for retail development almost instantly put a stop to any significant out of town development, thereby limiting the growth in available floorspace whilst increasing the value of the existing stock. Arguably this has resulted in a slowdown for those occupiers that sell 'bulky' goods, as they require a large amount of floorspace to effectively sell their products; town centre space is inadequate, and the limitations on the growth of out of town outlets means that they cannot enter new markets where there are no suitable sites available. This has the consequence of limiting their growth, reducing competition in the market and curtailing consumer choice.

It is not only changes in Government policy that can have such an effect; shifts in international competitiveness and changing economic conditions can have the same effects. In the last 25 years the English economy has shifted from being led by heavy industry to a service based economy. This has seen a huge reduction in the demand for industrial floorspace, and in order for the service sector to meet its need for space, the planning system has to be flexible

enough to allow for changes of use. The case study (attached as an annex) illustrates the delays that can be caused by even the simplest change of use.

Similarly other aspects of planning policy are too rigid. For example, where multi-national corporations are looking to locate world or regional headquarters in England, and they cannot get the site they are after, in all likelihood they will pursue other options - certainly not in the same locality and most likely in another country.

Perhaps one of the most famous examples of recent years was the decision to allow Vodafone to locate its World Headquarters on an out of town greenfield site close to Newbury, West Berkshire. At the time of the decision, the Vodafone chief executive Chris Gent said: "It was a very tight decision and it was a great relief because we are very committed to it. We did not want to go but if they [the planning committee] had said no then we would have gone, reluctantly, but we would have gone."¹

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

There are a broad range of planning tools that have been implemented with the express intention of enabling the creation of business clusters; each have had only a limited success. A key reason behind the failure of these tools is that there is little incentive for the local authorities to use them, as presently they do not share in the benefits of creating such zones.

Planning Policy Guidance note 5: Simplified Planning Zones (SPZs) and Enterprise Zones (EZs) are tools that have been used to try to encourage development of industrial clusters, such as science and technology parks. These have had mixed success. A Local Development Order (LDO) is a similar tool that will be implemented as a part of the Planning and Compulsory Purchase Act 2004. LDOs, like SPZs and EZs, will enable planning authorities to remove some of the burden of the planning system by giving specific types of development, or even a site specific development, permitted development status. LDOs have yet to bed in and may go some way to encouraging business clusters, if used appropriately. The BPF believes that there is little incentive for an LPA to produce an LDO, unless it is trying to encourage a site specific development to locate in its locality. If LPAs were to set up LDOs speculatively, the sites may never attract the desired development, and without such certainty it is unlikely that LPAs will use their limited resources on this tool.

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 efficiencies of process?*

The planning system faces three challenges in this area:

Cultural Change: at present there is a disconnect between the strategic planning system and the development control process. The intention of strategic plans is to enable and encourage appropriate development, whereas development control is intended to police and discourage inappropriate development.

Performance Targets: The divide between development control and the plan-led system is widened by the Planning Delivery Grant's performance targets. By making decisions time sensitive, it makes it more difficult to consider applications fully, and provides perverse incentives for the refusal of applications.

¹ 'UK Anger at green-belt Vodafone HQ', 28th April 1999 <http://news.bbc.co.uk/1/hi/uk/330168.stm>

Training: The planning system is charged with delivering many different policy outcomes, and officers need a broad skills-set. One aspect that is particularly lacking is an understanding of the business model of development.

The turnover and loss of staff from LPAs is a major issue if they are to meet the significant demands of the new planning system. Both the planning staff turnover rate and the difficulty that local planning authorities face when attempting to recruit suitably qualified replacements are the consequence of a lack of resources. At present there is an unhealthy reliance on the target driven Planning Delivery Grant, and whilst April 2005 saw a substantial increase in planning fees, there is no clear evidence of a subsequent improvement in service. It is also worth noting at this point that there is an increasing demand for planners both from the private sector and from other government organisations such as PINS.

Local authority planning officers' work should focus on strategic and complex issues. With approximately 645,000 planning applications made each year, almost half of this total relates to household improvements. The ODPM's Householder Development Consents Review offers scope for improvement in this area; if simple applications could be dealt with by administrative or planning technical staff, it would enable chartered town planners to engage with the weightier issues that they have been trained to deal with.

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?*

The planning system is intended to facilitate the best use of land against a defined policy. It is essential therefore to encourage stakeholder engagement and consultation in the planning system. At the same time, it is essential that the consultation process is adequately managed to ensure that the suggested outcomes are deliverable.

Many development opportunities arise once a local plan has been framed and developers will then react accordingly. So unless developers have a long term land holding in an area, it will be difficult for them to be involved in the consultation process, certainly at the regional level and most likely at the local level also.

The notion of greater stakeholder involvement in the planning process is, in principle, a good idea. However, it appears to be quite difficult to work in practice. Each LPA is required to produce a Statement of Community Involvement. These are coming through slowly, and early examples do not appear to be of the required standard.

The process of producing SCIs is an indictment of the administrative burden of the consultation process. LPAs are required to consult on their SCI, so in essence the process is one of asking the local population how they would like to be consulted in future. The completed SCI is then checked by the PINS for soundness. However, once the SCIs are fully integrated into the new system they may be of value in directing stakeholder engagement.

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?*

The final decision on planning applications is made by Councillors. In some cases where an application is in line with planning policy, but is unpopular with local constituents, it can be easier to refuse an application, forcing the applicant to consider appealing the LPA decision. This is time consuming, costly and can often damage the relationship between the applicant and the LPA, particularly for future proposals.

A way of harmonising the expectations of Councillors and the need for economic development is to produce a strategic master plan whereby all development contributes to the provision of necessary infrastructure.

The strategic planning system, through the RSS, joint core strategies and LDFs, will clearly identify the infrastructure needs at both the local and the wider regional level. The BPF support a planning tariff that will be costed and delivered in a strategic fashion. Employing a planning tariff will ensure that strategically important infrastructure is delivered where and when it is required, with the advantage of reducing the uncertainty, delays and administrative costs associated with the current section 106 system.

Furthermore, a planning tariff, developed in the public eye, will go some way to appeasing local opposition to development, which is often based on a fear that the rate of growth will outstrip the capacity of local infrastructure.

Under the proposed Planning-Gain Supplement, not all revenues raised will remain in the locality in which they were raised and this is one of the key factors why the BPF is opposed to this levy.

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?*

The ability of the planning system to react in a responsive manner to business needs can help achieve the necessary environment for economic development. However, encouraging, and achieving, sustained economic growth goes beyond the remit and role of land use planning.

Site assembly for major regeneration schemes is a difficult process, which is not helped by the complexities of the current means of obtaining a Compulsory Purchase Order (CPO). A Law Commission report on reviewing the CPO process was produced in 2004. The BPF believe that the recommendations from this report should be adopted, as they would significantly simplify the CPO process and reduce the delays associated with site assembly.

As stated earlier in our evidence, the BPF believe that a closer integration between the RSS, RES and subsequent LDFs would ensure that economic performance and delivery are at the centre of the land use planning system in England.

In January this year the ODPM announced a pilot program for Planning Delivery Agreements, which enable developers, local planning authorities and other stakeholders to commit to an agreed project plan for the consideration of large planning applications. The agreements will set out defined timeframes for decisions that may well be longer than the standard 13 week target for large applications. The BPF were heavily involved in the development of this pilot project and believe that, if employed across the country, they will go some way to easing the administrative and resource problems facing local planning authorities, whilst also providing developers with a greater level of certainty.

Case Study

Retail Premises South of England

The following case study demonstrates many of the issues raised in our evidence:

- The unintended consequences of a target driven process;
- The decision making process;
- Consistency in message;
- Lack of information and inconsistency;
- Last minute calls for evidence after failing to fully consider the content application;
- Staff retention.

Summary of Events:

Submission of Application

- Planning application for 'change of use from existing Class A1 to alternate uses falling within Classes A1 or A3 for retail premises' was submitted to the Council on 18 June 2004.
- The planning application was validated on 2 July 2004. The eight week deadline was 16 August 2004.

Consideration and Stakeholder Consultation

- 22 July 2004 – Case Officer stated that she had had positive feedback from the Policy team and that they had no objections to the change of use. Case Officer was waiting for comments from the Police and Highways.
- 9 August 2004 – Case Officer received an objection from the Police which was a standard objection in response to late night proposals.
- 11 August 2004 – Case Officer still waiting for Highways' comments.

Change of Officer

- 17 August 2004 – Case Officer is replaced by new Case Officer, who is not happy with the application being for flexible consent and stated that he was going to send a letter outlining this view.

Officer Request for a Time Extension

- 17 August 2004 – Applicant received letter from the Council asking if it will allow an extension of time for consideration of the application.
- 14 September 2004 – Case Officer emails the applicant stating that the Council is happy to proceed with the application with its existing description, outlining that it will go to committee.

Stakeholder Response and Section 106 Negotiations

- 15 September 2004 – Highways comments received; they have asked for £95,000. The applicant asked for explanation of how this figure was calculated, and requested time to

consider the sum. The applicant would not want the application to go to committee until it received further details from the Council.

- 21 September 2004 – Case Officer emails the applicant stating that the £95,000 had been reduced to £74,800.
- 24 September 2004 – The applicant speaks to the Council about the reasoning behind this figure and is told that the Council had secured Section 106 contributions in other change of use applications in the past. If the applicant did not enter into one, the application would be refused. The Council stated that they would send information on past applications to show what others had paid. No information given on how the figure was calculated.

Refusal of Applicant's Request for Time Extension

- 27 September 2004 – The applicant contacts the Council to ask whether the application can be deferred to enable further discussions on the proposed Section 106 sum. Council states that the applicant has to agree to the contribution or the application will be refused.

Withdraw or Refuse

- 29 September 2004 – The applicant explains to the Council that the client can offer a maximum of £5,000 as a contribution. The Council responds to say that they are going to refuse the application if they do not receive a withdrawal letter within the next hour and a half. Application withdrawn in order to discuss the requirements of the Council and advise on way forward.

'Pre-Application' Discussion

- 28 October 2004 - The applicant sends an email to Highways (copying in the Case Officer) asking for clarification for the requested Section 106 amount.
- 22 November 2004 – No response from Council; the applicant sends an email to the Case Officer and he responds that he will speak to Highways and will get back to the applicant.
- 10 December 2004 – Case Officer states that, as the application is not live, he is not prepared to research things further. The applicant explained that it had had very little time to consider the sum when the application was live. The applicant was told it should have let the application be refused and then appeal the decision. In order to discuss the sum further, the Case Officer stated that the applicant would need to resubmit an application.

2nd Application

- 3 June 2005 – New application submitted to the Council for 'change of use from existing Class A1 to alternate uses falling within Classes A1, A3 or A4 for retail premises, including associated car and cycle parking.'
- The application was validated on 23 June 2005 and the eight week deadline was 1 August 2005.

Consultation with Council

- The applicant tried to set up a meeting to discuss the application with the Council. The Council refused to meet during the 3 week consultation period.
- Following the 3 week consultation period the Council refused to meet.

- The applicant contacted the Team Leader to express frustration at the unwillingness of the Council to meet to discuss the application.

Section 106 Contribution Negotiations

- 12 July 2005 – The applicant receives a letter from the Council outlining a request for a Section 106 contribution for highway improvements totalling £74,000 setting a deadline for completing the S106 by 9 August (Committee date).
- 18 July 2005 – Case Officer unable to explain reasoning behind the figure. The applicant organised a meeting with Case Officer and Highways for 21 July to discuss the figure.
- 19 July 2005 – Case Officer/Highways refuse to meet the applicant to discuss. Case Officer does not understand the reason behind the sum and asks that the applicant to contact Highways directly to discuss the issue. The applicant requests that the application be deferred to enable consideration of the sum.
- 19 July 2005 – The applicant writes to the Team Leader to ask for the application to be deferred.
- Case officer agrees to defer the application and to allow the application to go to the September committee rather than the August committee.
- 26 July 2005 – The applicant contacts Highways to discuss justification behind the sum. The contribution is in 3 parts (£50,000 – Night buses, £20,000 – Spine Strategy and £4,800 – Cycle parking). £50,000 for night buses – Highways state that this figure has arisen as a pub over the road recently paid this figure. There is no threshold to calculate the figure and it is based on other developments and what has been paid in the past. £20,000 for Spine Strategy – the applicant points out that the figure appears to be 4 times greater than SPG guidance. Highways are unsure where this figure came from and state that it is a historic sum; they would look into it and would report their findings to the Case Officer.

Request for Further Information

- 26 July – The applicant contacts the Case Officer to provide an update on discussions with Highways and the Case Officer responds by saying that ‘the penny has dropped’ and the application has not got enough information to be determined. Case Officer requires further drawings showing existing and proposed layouts. The applicant stated that this was not something asked for at any time throughout the process; drawings could be put together to show the existing, but the proposed would be difficult as the applicant had not secured an occupier yet.
- Without any drawings the Case Officer wanted to refuse the application under delegated powers by 1 August. In effect the drawings had to be prepared and submitted within 3 days.
- Since submitting the applications a year previously, there had not once been a request for layout plans and there had been total refusal on the Council’s part to meet to discuss the application. The application was validated on 3 June 2005 and seven and a half weeks later the Council requested drawings; this requirement was only brought to the applicant’s attention because it contacted the Council. There was no formal request for the plans from the Council.

2nd Withdrawal

- The applicant spoke to the Case Officer and, in order to avoid the application being refused, the applicant withdrew the application and agreed with the Case Officer that it would continue to contact Highways to discuss the proposed S106 figure. The applicant in the meantime said it would put together plans and a new application, to be submitted to the Council at the end of August, as long as S106 has been agreed/justified. The applicant asked the Council to outline the agreed strategy in writing.
- 27 July – Council writes to the applicant to state that the proposal is acceptable in principle, subject to S106, and states that plans are required to determine any future application. The Council states that if it has not heard from the applicant by 29 July the application would be refused.
- 28 July – Application is withdrawn.

For further information:

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