

1. INTRODUCTION

1.1 The Chancellor and the Deputy Prime Minister have invited Kate Barker, a member of the Bank of England's Monetary Policy Committee, to conduct an independent review of land use planning in England.

1.2 The terms of reference of the review are:

To consider how, in the context of globalisation, and building on the reforms already put in place in England, planning policy and procedures can better deliver economic growth and prosperity alongside other sustainable development goals.

In particular to assess:

- *Ways of further improving the efficiency and speed of the system;*
- *Ways of increasing the flexibility, transparency and predictability that enterprise requires;*
- *The relationship between planning and productivity, and how the outcomes of the planning system can better deliver its sustainable economic objectives; and*
- *The relationship between economic and other sustainable development goals in the delivery of sustainable communities.*

1.3 Representations on these issues have been invited from all parties, with a submission deadline of 28th March 2006. A series of questions have been provided as a framework for those representations, and a proposed response to them from Salford City Council is set out below.

1.4 The review will publish an analytical interim report in early summer, and a final report setting out recommendations around the end of 2006.

2. QUESTIONS AND PROPOSED RESPONSES

Q1 *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?*

Proposed response

2.1 The Regulations relating to the production of Local Development Documents are overly prescriptive, and as a result it takes a considerable length of time to bring forward such documents (at least three years in the case of site allocations, which must be in Development Plan Documents).

2.2 This makes it very difficult for planning policies and site allocations to respond to market signals, because those signals may well have changed again by the time that a Local Development Document (LDD)

is finally adopted. Although a LDD will gain weight as it progresses through the production process, it will not be until the Submission stage (approximately two years into the process) that there will even be a clear draft, given the emphasis on options in earlier stages.

- 2.3 Consequently, the planning system struggles to respond to changing circumstances. This is a particular problem in major regeneration areas, where the economic and social context can change very quickly. In these circumstances, there is a risk that a LDD will be out-of-date as soon as it is adopted, and this then results in the need for a large number of departures from the adopted development plan. This increases the likelihood that the Secretary of State will call-in applications for a public inquiry, creating further delays and expenditure implications both for applicants and local planning authorities.
- 2.4 A further difficulty that the planning system currently suffers from is its inability to quickly identify sites for particular uses, especially economic development. This is not only because of the length of time required to allocate land for specific uses through the production of Development Plan Documents, but also because of the complicated and prolonged nature of Compulsory Purchase Order processes required to assemble sites. The simplification of such processes would therefore assist.

Q2 *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?*

Proposed response

- 2.5 The revised planning system resulting from the 2004 Act has a number of very positive features:
- The introduction of Local Development Schemes provides service users with more certainty over what planning policy is to be developed and assists with project management for local planning authorities;
 - The emphasis on a robust evidence base helps to ensure that Local Development Documents are more effective in addressing the key issues within an area;
 - The production of a range of Local Development Documents rather than a single Unitary Development Plan increases the flexibility for local planning authorities, particularly in terms of reviewing planning policies; and
 - The identification of “sustainable development” as the key purpose of planning, and the use of sustainability appraisals,

ensures that all social, environmental and economic issues are given full consideration.

- 2.6 However, there are a number of further improvements that would assist in making the planning system more effective and efficient.
- 2.7 As noted above in response to Question 1, the Regulations governing the production of LDDs are excessively prescriptive. This makes the process of producing Development Plan Documents (DPDs) in particular very lengthy, and it reduces the flexibility available for those producing planning documents. This stifles innovation, as well as reducing the responsiveness of the planning system.
- 2.8 The scope for legal challenges to LDDs if all of the regulatory requirements have not been met means that local planning authorities will tend to take a “safety first” approach, and will be very cautious about trying anything new. Enabling local planning authorities to reduce the scope for legal challenges will therefore be an important element of improving the effectiveness and responsiveness of the planning system, as well as promoting innovation.
- 2.9 The processes for producing LDDs, particularly DPDs, are quite complicated. This can make it difficult to effectively engage stakeholders in their production, and the number of stages and length of time involved in the overall process can lead to frustrations amongst the public and businesses, who simply want to see action on the ground. The intricate nature of the system makes it very difficult to explain to those outside the planning profession.
- 2.10 The revised planning system has introduced an enormous amount of jargon and many new acronyms (such as LDDs, DPDs, SPDs, LDSs, LDFs, RSSs, AMRs, SEAs, SAs, etc). Some of this is probably inevitable, but any reduction/simplification would no doubt be appreciated by all of those that have to use the planning system.
- 2.11 Despite the detailed nature of the Regulations, it is not always clear how they relate to particular circumstances, and the production of joint Local Development Documents within metropolitan areas is perhaps the clearest example of this. The ten Greater Manchester authorities are producing a joint Waste Development Plan Document, but this is proving to be extremely difficult and time-consuming because of the lack of clear guidance about how the Regulations apply to such situations. Consequently, significant resources are being expended on legal advice, and there is a high risk associated with the development of what is an essential document for the sustainability of the conurbation.
- 2.12 The complicated and time-consuming nature of producing Local Development Documents means that local planning authorities will

often not have sufficient resources to produce the number of LDDs that are needed, or review existing LDDs as often as they would like to.

- 2.13 All of this means that there is a risk that local planning authorities will increasingly rely on informal planning policy documents that can be produced quickly and cheaply, and that can be revised quickly to respond to changing circumstances, rather than produce formal Local Development Documents. This may be the only way that planning policies can be brought forward to support regeneration and other imperatives, even if those policies would have less weight in decision-making than LDDs, and will effectively move away from a formal “plan-based” system. If local planning authorities rely solely on LDDs, then planning could begin to be seen as a block on development, because of the time and financial resources required to produce LDDs.
- 2.14 There is also a more general issue regarding the provision of guidance on the implementation of the new system. Practitioners and stakeholders want a single, simple explanation of the system and its implementation, whereas in practice there is an almost constant stream of new guidance that is not always wholly consistent and that requires the reading of many documents for advice on any one issue. This may be unavoidable in the early stages of a new system, but it is vital that the situation is rectified as quickly as possible, in order to ensure consistency and efficiency.
- 2.15 As noted above, the introduction of Local Development Schemes is considered to be a positive change in the planning system. However, it is important that these are “living” documents, able to evolve quickly as circumstances change. Local planning authorities should not be penalised for such an approach, as it is essential to ensuring that the planning system responds to economic, social and environmental imperatives. The strict assessment of performance against Local Development Schemes, as part of a Best Value Performance Indicator, could encourage the opposite approach, with local planning authorities reluctant to make any changes for fear of being “marked down”. It is important that this should not happen.
- 2.16 The Government’s stated intention of keeping the new Planning Policy Statements (PPSs) short and strategic is supported. However, in practice some of the new/draft PPSs are moving too far towards central direction and are not allowing enough local discretion and innovation. The draft PPS3 is particularly notable in this regard. The PPSs should focus on the main policy issues, as for example PPS6 does with its five key tests, rather than seeking to micromanage every element of planning policy on particular issues.
- 2.17 Perhaps the most important issue is that further changes to the planning system are minimised, and that the emphasis is on evolving the current system to make it more effective. Whenever the system is in a state of flux, moving from one approach to another, it inevitably

becomes less efficient as people try to familiarise themselves with the changes. Managing the transition associated with the 2004 Act has been extremely time-consuming for planning professionals.

Q3 ***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?***

Proposed response

2.18 The introduction of sustainable development as the core principle underpinning planning is considered to be a positive feature of the new system. In theory, this should ensure that there is an appropriate balance between economic, social and environmental considerations.

2.19 However, there is a lack of clear and strong planning policy at a national level relating to some environmental issues, such as climate change. As noted above, the emphasis needs to be on a strategic approach rather than micromanagement at a central level of every aspect of climate change policy. Nevertheless, it will be important to have a clear national approach that ensures that design and construction are made more sustainable across the whole of the country, rather than individual local authorities having to trade-off their desire to further their environmental objectives against the risk of losing development to other local authority areas that have lower environmental standards.

Q4 ***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?***

Proposed response

2.20 No comment.

Q5 ***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?***

Proposed response

2.21 As noted above in response to Questions 1 and 2, the length of time required to bring forward Development Plan Documents does make it

more difficult for planning to support business investment. The simplification of the Regulations, so as to reduce how prescriptive they are, encourage innovation, and reduce the time taken to produce DPDs, would therefore be beneficial.

- 2.22 One of the most significant problems facing the planning system in terms of encouraging business investment is the relatively low land values that employment developments command, and the high values associated with residential development. As a result, many employment sites are being lost to housing, and consequently the choice of sites available for economic development is highly constrained.

Q6 *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?*

Proposed response

- 2.23 The different processes involved in producing Regional Economic Strategies and Regional Spatial Strategies makes it difficult for them to be effectively joined-up, and the different imperatives that drive their production means that there are tensions between them. Involvement of stakeholders in the production of Regional Economic Strategies is relatively limited, and there is no public examination of their proposals in the way that there is with Regional Spatial Strategies.
- 2.24 As a result, the proposals in Regional Economic Strategies are not always properly tested, and can be at odds with broader strategic approaches emerging through Regional Spatial Strategies. At the same time, Regional Economic Strategies can be seen as a constraint on Regional Spatial Strategies, despite their provisions not having been examined in public.
- 2.25 Ideally, the economic and housing strategy at the regional level should be established through the Regional Spatial Strategy, with the Regional Economic Strategy and the Regional Housing Strategy then expanding on the provisions of the RSS. This would ensure that the three documents are fully consistent, and that the document that has been subject to the most consultation, independent testing and sustainability appraisal, and which integrates all relevant considerations (i.e. the RSS), takes precedence over those documents that are more narrowly defined and less inclusive in their production (i.e. the RES and RHS).
- Q7 *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?

Proposed response

2.26 On the largest projects, there is a concern that the relevant Best Value Performance Indicator does place too much emphasis on speed. For such projects, which can fundamentally transform whole communities, local authority areas and even sub-regions, it is important that they are given full and proper consideration, and that public involvement is maximised.

2.27 Such projects are often referred to the Secretary of State, and there would appear to be scope for reducing delays at this stage in terms of the time taken to determine whether an application should be called-in and the delay in securing an inquiry date. This could potentially be addressed through Government Offices familiarising themselves with the details of the projects before they are officially referred by the local planning authority, offering informal advice on the likelihood of call-in, and pencilling in an early inquiry date where appropriate.

Q8 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?

Proposed response

2.28 It is not considered that there is any evidence to suggest that the costs of making planning applications are deterring investment.

Q9 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?

Proposed response

2.29 The high value of competing land uses, as discussed in relation to Question 5 above, may have an impact on occupation costs. Stronger national policies protecting existing employment areas and allocations, retaining a healthy supply of such land, and promoting mixed-use development, could assist in dampening land values and therefore occupation costs.

Q10 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?

Proposed response

2.30 The Planning system operates in the public interest and does not formally consider competition issues. It is not considered that the system has an adverse impact on competition overall, except insofar as it denies companies the opportunity to make use for example of “easier” land opportunities which are protected by green belt or green space policies. Its impact is to direct the market rather than to restrict it, and in the public interest. Recently there has been comment in the press about the extent to which the system benefits particular companies to the detriment of others, and specifically in the context of the success of Tesco’s in dominating the food (and increasingly elements of the non-food) market. If the Government and parliament believe that there are issues here then it is suggested that these should be tackled through other mechanisms, as attempting to use the planning system to either extend or restrict competition as an explicit objective could lead to unintended consequences which may themselves create problems.

Q11 To what extent does the planning system effectively support innovation through fostering the formation of business clusters and wider agglomeration of economic activity?

Proposed response

2.31 The effectiveness of the planning system in this regard would appear to be limited. Its greatest potential is probably in allocating major sites where business clusters can develop. However, in the past, pressure from landowners to secure development (including Government agencies keen to meet output targets), has often resulted in the “business cluster” concept gradually being eroded and any form of economic activity being permitted rather than just that relating to the cluster. This needs to be avoided in the future if business clusters are to be effectively encouraged, and this may mean that parts of allocated sites are left undeveloped for many years. The emphasis needs to be on a planned approach to achieve a desired goal, rather than simply on securing development of a site.

Q12 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?

Proposed response

2.32 The revised planning system is extremely resource intensive, and local planning authorities do not currently have sufficient resources to meet all of the challenges. Careful prioritisation therefore needs to take

place, including decisions not to produce or revise planning documents, or to produce “informal” planning documents that are cheaper and quicker to adopt rather than formal Local Development Documents.

- 2.33 The Planning Delivery Grant has been beneficial in increasing the resources available to local planning authorities. However, its effective use has been limited by the lack of certainty over its long-term future, making medium-term financial planning very difficult. For example, local planning authorities have been reluctant to use it to appoint additional staff because they may not receive any grant in the future, leaving them with a funding gap. A long-term commitment to Planning Delivery Grant, with a minimum level that all local planning authorities can expect, is therefore required if planning authorities are to promote sustainable economic development more effectively. The proposed ending of the Planning Delivery Grant will worsen already significant resource problems for local planning authorities.
- 2.34 The shortage of skilled planning officers continues to create problems for local planning authorities, making recruitment difficult even where resources are available. It is therefore vital that the Government expands its programmes for training more planning officers. Salford has been extremely innovative in finding new ways of delivering planning services, and the recent Audit Commission report commended the creation of Urban Vision, a new partnership organisation which is delivering development control and other planning work for the authority. Such work includes some of our supplementary planning documents. However recent experience of using other, independent, consultants on plan making work has shown that this can be less efficient and less cost effective than using in-house resources in this area of the planning service, and that it is going to be important to ensure that we have proper capacity and skills in-house to deliver this important work.
- 2.35 As noted above, the efficiency of the planning process could be improved by reducing the complexity and rigidity of the production process for Local Development Documents, and by providing more flexibility for local planning authorities. This would allow existing resources to produce more LDD's to be applied to other important planning work, depending on particular priorities within local areas.

Q13 *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?*

Proposed response

- 2.36 The new arrangements are generally considered to be too complicated, and to involve too many stages, making it more difficult for people to become involved effectively in the plan-making process. Many stakeholders do not have the time to become involved in every stage of

every document, and simply want to respond once or twice on key issues. The number of stages involved in producing Development Plan Documents in particular makes it difficult for them to do this, and people can become very frustrated at the number of times they are consulted on the same plans and the length of time it takes for them to be produced. This applies to businesses as much as it does to members of the public.

- 2.37 Revised Regulations that allow local planning authorities to take a more flexible and pragmatic approach would therefore appear to be a more appropriate way forward. This would allow them to tailor the process to the specific circumstances.
- 2.38 The production of a Statement of Community Involvement (SCI) has some benefits, but the current process risks creating further problems of consultation fatigue. There is also a risk that the SCI will act as a constraint, limiting the necessary flexibility for consultation processes to respond to the particular circumstances applying to individual LDDs.

Q14 *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?*

- 2.39 The various elements of the planning system should already be able to achieve this balance. Regional Spatial Strategies should help to ensure that Core Strategies and other LDDs in individual local authority areas plan for an appropriate level of economic development, balanced against social and environmental objectives. The plan-led system should then ensure that the RSS and relevant LDDs inform decisions on individual planning applications, so that they are taking within that policy context. Any difficulties are therefore likely to be in the implementation of the system, rather than pointing to any need for “incentive structures” to be changed.

Q15 *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?*

- 2.40 The most important factor holding back the economic performance of regions, sub-regions and at the local level is the lack of investment in infrastructure. The use of planning obligations is not an effective way of securing such infrastructure, and there is a need for a very significant increase in central government investment particularly in transport infrastructure and services.
- 2.41 The absence of a coordinated and long-term planned investment in the transport systems of the major conurbations will undoubtedly hold back their economic growth. The planning system has a vital role in

identifying the need for, and co-ordinating, such investment. However, the scale of investment required can only be provided by central government.