



The British Chambers of Commerce believes that the planning system is grossly inefficient and unable to respond the needs of British Business. The Government must ensure that it delivers on local and national reforms.

## Summary

**The UK's economy is built upon its ability to grow, both on a macro and a micro scale. At the macro level the quality and effectiveness of the country's infrastructure is vital; at the micro level, businesses require the ability to expand or alter their premises in step with their changing needs. The sad fact is that in the UK this is not the case. The planning system remains unable to respond in a quick and efficient manner, and businesses face uncertainty, risk and delay. This is a major source of frustration for companies up and down the country requiring prompt and definitive action.**

## Problem

- Planning applications, from submission to approval, take far too long adding undue uncertainty, delay and risk into vital projects.
- There is a lack of a clearly defined planning policy framework, demonstrated by insufficient national policy direction, cumbersome and ineffective regional planning processes, and the fact that many Local Authorities have incomplete or out-of-date local plans.
- A strategic focus is not encouraged, with time wasted on small-scale decisions of little impact, an overwhelming and confusing amount of guidance, and an overloaded appeals process.
- Not all Local Authorities support business growth in their approach to planning as much as they could. Inflexible processes, inefficient handling of applications, inadequate skills and

capacity, and negative attitudes to development are still prevalent.

- Projects of national significance can get stuck in the planning process adding cost and uncertainty not only for the developer, but also to the many businesses who would ultimately benefit from construction.

## Evidence

**Heathrow Terminal 5** - BAA submitted a planning application for a fifth terminal in February 1993. A public inquiry then followed, beginning in May 1995, costing £80m, hearing from 700 witnesses, generating 100,000 pages of transcript and sitting for 524 days in total. Planning consent was finally granted by the Secretary of State in November 2001, over eight years after the initial application. Construction and the opening of Terminal 5 was completed in 2008, representing a total lifecycle of 15 years.<sup>1</sup>


**Dibden Bay** - The application for a new container terminal in Dibden Bay on the South Coast took a total of 66 weeks and cost £45 million. After lengthy consideration over four years, the application was refused. The sheer time, cost and effort wasted to inform this decision was unacceptable.<sup>2</sup>

Uncertainty in the system creates significant penalties to businesses in the form of increased operating costs, lost investment, and missed market opportunities. The Government commissioned Killian Pretty Review calculated that its proposed reform of application procedures could save in the region of £300 million by reducing red tape.<sup>3</sup>

<sup>1</sup> BCC, *Planning Report*, June 2009.

<sup>2</sup> Ibid.

<sup>3</sup> CLG, *The Killian Pretty Review: Planning applications - A faster and more responsive system*, 2008. [co.uk/media/pressreleases/2009/](http://co.uk/media/pressreleases/2009/)



According to the Government, since 2005 CLG has published 3,254 pages of national planning guidance, without including documents published but subsequently cancelled.

## Recent Government Policies

**Local Democracy, Economic Development and Construction Act 2009** - granted Royal Assent in October 2009. The Act requires each region in England to produce a Single Regional Strategy (SRS) for sustainable economic development (merging the existing Regional Spatial Strategies and Regional Economic Strategies). It is intended to set out the planning policy framework for the region.

**Killian Pretty Review** - published its findings on 24 November 2008. It set out 17 recommendations to government regarding ways to remove unnecessary strain on planning officers and burdens on applicants for small scale developments through extending permitted development rights.

**Planning Act 2008** - was granted Royal Assent on 26 November 2008. The Act introduced a new system for nationally significant infrastructure planning. Significantly, it included legislation to set up the Infrastructure Planning Commission to speed up applications deemed nationally significant.

**Infrastructure Planning Commission** - came into being on 1st October 2009. It is an independent body which makes decisions on nationally significant large scale facilities that support the economy and vital public services in England. A regulatory impact assessment indicates that the IPC will lead to savings on public administration and business costs of around £300 million a year in the period up to 2030.<sup>4</sup>

**National Planning Policy Statements** - will form the cornerstone of the new English planning system. Written by Departments and debated by Parliament, they establish the national case for infrastructure development and set the policy framework for Infrastructure Planning Commission decisions. By providing clarity on the need for infrastructure development, they

are intended to give promoters a clearer framework within which to make investment decisions with more confidence. Twelve NPSs are expected to be designated between late 2009 and 2012.

## Opposition Position

The Conservatives have publicly stated that they would abolish the nascent Infrastructure Planning Commission but would keep the National Policy Statements, which would be subject to a Parliamentary vote rather than just a debate as at present.

Nationally significant projects would be determined by the relevant secretary of state rather than the new Infrastructure Planning Commission (IPC). The IPC itself would be relocated as a "large projects team" inside the Planning Inspectorate, and this would make recommendations to ministers. Ministerial decisions would have to be taken within a specific period.

The Conservative Party's headline policy on RDAs remains unclear - and is a considerable source of uncertainty for businesses. However, party policy suggests the Conservatives would abolish all regional planning processes, and enable local authorities to take over a range of planning and economic development functions. This raises serious concerns around capacity and decision making.

The Liberal Democrats have also announced plans to scrap both RDAs and the IPC, although they support NPS's. However, apart from stressing that decisions should be made locally the Liberals have not stated exactly how decisions would be made, or by whom.

<sup>4</sup> CLG, *Planning Bill: Impact Assessment*, 2008.





## BCC Position

### National Infrastructure

The BCC strongly supports the NPS and IPC framework. We believe these reforms offer the potential for more efficient decision-making processes and both should be given time to prove their worth. NPS will however need to give strong and clear direction in regard to meeting the country's economic and energy needs, and clear guidance and regulation about how decisions will be examined and implemented.

### Regional Planning

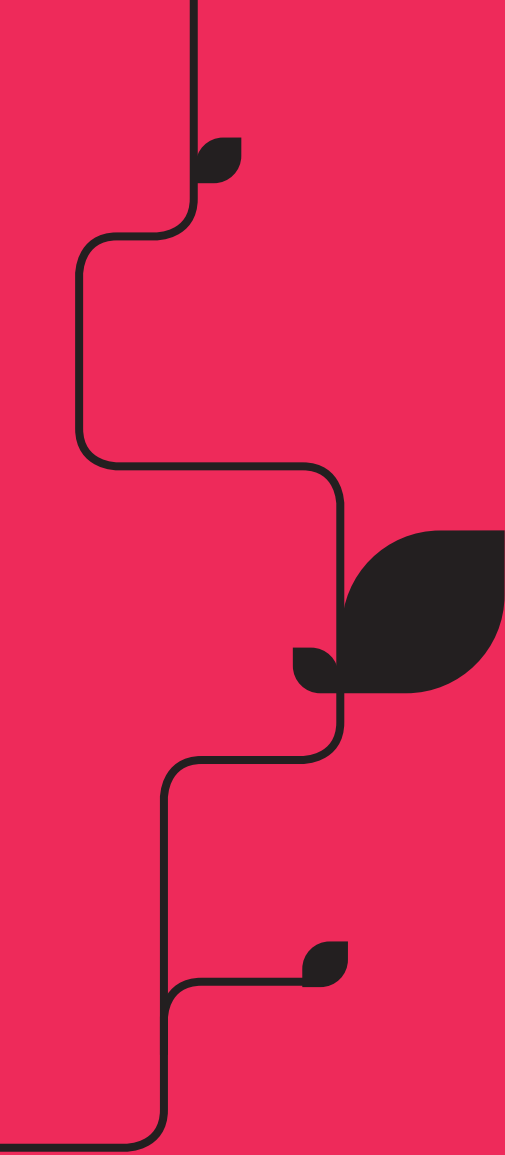
At a regional level, Single Regional Strategies (SRS) will need to be shorter and sharper documents with better business engagement and a more streamlined development and sign-off process, including the abolition of the Examination in Public process. Clear regional frameworks enable businesses to plan their future development with greater certainty about how strategic planning decisions will be made, while limiting duplication between national and regional plans.

### Local Planning

It is important that where businesses wish to expand, move into, or alter their premises they can do so quickly and efficiently. Delays and bureaucracy hinder the ability of a business to adapt and evolve to a changing marketplace while depriving the local community of critical investment. Full implementation of the Killian Pretty Review must be brought forward as a matter of priority in order to minimise unnecessary processes. There is also a need to reduce guidance, provide greater flexibility, deliver faster processing and ensure higher-quality planning officers are in place to deal with business critical applications.

Local Authorities need to more effectively support local economic development through their planning policies and practices. Government at all levels should commit to a timetable for ensuring that all Local Authorities have full Local Development Frameworks in place across the country as a matter of priority.





#### APPLICABILITY

England only.

#### CONTACTS

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