



Ms Natalie Turner
Barker Review Team
4/E1
1 Horseguard's Road
London,
SW1A 2HQ

28 March 2006

Dear Ms Turner

Barker Review of Land Use Planning

Who is Accessible Retail

I write on behalf of Accessible Retail (AR), the body which represents the property interests of the retail warehouse /retail park sector of the retail industry. AR has over 900 members comprising owners/investors, developers, retailers and advisers, a membership which includes most of the major companies active in the sector. The majority of our member's interests are located in out-of-centre locations, but also, they have significant town centre interests. The sector comprises property worth £15-20 billion pounds of which over half is owned by pension funds.

General Comments

The terms of reference of the Review invite comment on both process/procedures and policy issues and we wish to take up both opportunities. We note that the Review intends to build on the reforms already put in place, but we hope that this does not preclude a root and branch assessment of the serious problems still inherent in the system or radical change to improve efficiency if found to be appropriate. We make this point at the outset because since 1967, there have been some 14 major reviews of the planning system half at the instigation of Government (see Appendix A). Throughout this 40 year period, the same basic concerns about both the operation of planning procedures and the direction of policy have been raised time and again, by business and other users of the system, yet they are still largely unresolved.

Indeed, the most recent attempt to deal with the system's failings (the Planning and Compulsory Purchase Act 2004) is already beginning to attract comment that the changes it introduced will not deliver the improvements promised. In a recent report (2006), the Planning Officers Society, commenting on the new Local Development Framework system for local plans said 'scarce resources are being consumed in producing over-elaborate and exhaustive local development documents' and regarding planning applications, 'many of the documents now required are of extreme length yet have limited impact on the decision-making process'.

In formulating your own views, therefore, we believe you should do so with a sense of perspective which recognises that there has been a long period of relative failure in resolving the systemic problems outlined above and that, despite relatively frequent attempts at reform, they continue to frustrate. If to tackle these two issues requires radical reform, we believe it should not be avoided.

Policy Concerns - Economic Growth, Employment and Productivity Gains

Our main concern is with the relative failure of planning policy to take proper account of the need to secure economic growth, employment and productivity gains and to make this one of its core aims. The key weakness is that while the assessment and consideration of environmental impacts has become embedded in the system (rightly so), there is no specific and robust statutory requirement on national policy advisors or on local planning authorities (LPAs), to assess and take reasonably into account in determining policy and applications, the impact of their decisions on economic growth, improved competitiveness, employment and regeneration. As a result, the economic benefits which can be secured from some development opportunities are lost. This was recognised in the 1998 Study carried out for the then DETR (see reference 7 in Appendix A) which, in considering the impact of planning on ‘agglomeration economies’, commented that ‘planning intervention to restrict the expansion of an area may impair the future growth of the economy’.

This weakness is surprising given that securing economic well-being forms an equal part of the Government’s definition of sustainability and one of the Chancellor’s earlier Pre-Budget Statements identified that ‘the modernisation of Britain depends on the modernisation of the economy and every economically-related policy must be bent towards achieving that goal’, coupled with that ‘for the first time, the planning system will be required to promote competition’.

Similarly, the contribution business can make to the achieving of other Government objectives such as regeneration and reducing social exclusion is not given sufficient recognition and weight.

An example of this in our own industry is to be found in the provisions of PPS6 (Planning for Town Centres). Paragraph 2.51 says that ‘in selecting sites for allocation in development plan documents, the LPA should, after (*our emphasis*) assessing sites against the considerations in paragraph 2.28, consider the degree to which other considerations ... may be material to the choice of appropriate locations for development’. It then identifies physical regeneration, employment, economic growth and social inclusion as examples of other considerations. Current policy, therefore, clearly subordinates ‘other’ considerations to the requirements of paragraph 2.28 (need, sequential testing, accessibility and impact on town centres). In our view, this is too inflexible; there are circumstances (for example, areas of multiple deprivation or where major growth and productivity gains can be secured from clustering) where ‘other’ considerations should be seen as being on a par or of even higher priority as those in paragraph 2.28.

Appendix A shows that our industry is not alone among the business community in having these concerns about the direction and emphasis of planning policy and it is in this respect that we would most like to see radical reform.

This weakness is compounded by the fact that, in some instances, national planning policy makers are influenced by perceptions of the causes of land-use problems for which they have little or no substantive evidence. In our sector of the retail industry, for example, the very restrictive planning policy under which we have to operate (PPS6), has been determined largely on the belief that out-of-centre retailing is a prime cause of failing town centres; it is also held that such developments are environmentally unsustainable although no substantive and convincing data exists to support either assertion and, indeed, there is little data to support the view that failing town centres are a widespread phenomenon. This failure is further compounded by the fact that national planning policy makers have little understanding of the dynamics of the modern retailing offer or of the real causes of town centre growth and decline, with the result that the latter go unaddressed by planning policy.

The impact of this affects adversely all levels in our sector down to individual warehouses. Unbalanced constraint on growth in new outlets weakens the major contribution we can make to job creation and GDP growth. Similarly, the equally important role the sector plays in improving competitiveness in the retail industry will be reduced. Out-of-centre retailing is more efficient than other retail formats and this is passed on to customers in the form of lower costs. Disaggregation into smaller, more costly units, with a reduced product range, located in congested town centres results in higher prices. Similarly, the absence of a clear policy supporting existing stores and parks hinders the ability of the operators to meet changing customer needs by making qualitative improvements to current buildings or through modest extensions. The alternative to on-going maintenance and improvement of the retail offer is decline and dereliction.

In support of these views, our industry assembled considerable evidence showing the economic contribution out-of-centre retailing makes to GDP growth, employment and improved competitiveness. This was submitted to policy makers as part of the PPS6 consultative process, but to little effect. Doubtless, it was considered, but we believe the pertinent issue is (implicit in Barker questions 10 and 11 in Annex 1) whether it was given sufficient weight against other considerations and this weight then reflected in planning policy. This is a matter of judgement and we invite you to treat the out-of-centre retail sector as a specific case study. To this end, immediately below we set out the economic case for our industry being allowed to grow and we urge you to assess this against the policies and arguments in the published PPS6.

Case Study: The Economic Case for Allowing Growth in Out-Centre-Retailing

Economic Benefits of the Sector

GDP Growth:

1. Retail sector output (inflation adjusted) has increased by 115% over the last 20 years.¹
2. Over the last 5 years, retail expenditure has grown by 5% p.a. to reach 40% of consumer expenditure (consumer expenditure now amounts to 65% of GDP).² Retail spending has been responsible for 45% of GDP growth over the ³

¹ Experian, Responding to the PPS6 Consultation, 2004, pp 11

² Experian, Responding to the PPS6 Consultation, 2004, pp 8

3. Over the last 5 years, retail expenditure has grown by 5% p.a. to reach 40% of consumer expenditure (consumer expenditure now amounts to 65% of GDP).⁴
4. Retail spending has been responsible for 45% of GDP growth over the last five years.⁵
5. Retail expenditure is forecast to grow by 50% 2003-2016 (in the same period, consumer expenditure is forecast to grow by 35%).⁶
6. Bulky goods spend represents £54 billion p.a. or over 20% of all retail spend (up from 7% in 1980).⁷
7. Expenditure on bulky goods has been responsible for about 35% of the increase in retail spending and about 16% of the increase in GDP over the last five years.⁸
8. Bulky goods expenditure is forecast to grow by 60% 2003-2016.⁹

Inflation/Competitiveness:

1. Over the last 3 years, retail goods have deflated by around 2% p.a. (consumer prices have inflated by just under 2% in the same period).¹⁰
2. Out of centre retailers have seen volume growth exceed value growth over the last 10 years suggesting that they are a key contributor to this deflationary environment.¹¹
3. Average retail floor space efficiency has improved by 1%-2% p.a. over the last 40 years.¹²
4. The period of most rapid productivity growth has been the last 20 years coinciding with the growth of retail warehousing.
5. Average out of centre sales densities are up to 25% higher than those in the high street.¹³
6. This difference is especially apparent in bulky goods e.g. furniture & floor coverings retailers trade almost twice as productively out of centre than they do in-town with DIY retailers around three times.

Employment and Productivity:

1. At present retail employs over 3 million workers (10.6% of the working population) and is growing.¹⁴
2. Retail warehousing accounts for about 10% of this total.¹⁵
3. The anticipated growth in bulky goods retailing is expected to create 145,000 new jobs (based on current average employment per square foot ratios).¹⁶

³ Experian, Responding to the PPS6 Consultation, 2004, pp 11

⁴ Experian, Responding to the PPS6 Consultation, 2004, pp 8

⁵ Ibid

⁶ Experian, Responding to the PPS6 Consultation, 2004, pp 16

⁷ Experian, Responding to the PPS6 Consultation, 2004, pp 12 & 13

⁸ Experian, Responding to the PPS6 Consultation, 2004, pp 14

⁹ Experian, Responding to the PPS6 Consultation, 2004, pp 17

¹⁰ Experian, Responding to the PPS6 Consultation, 2004, pp 19

¹¹ Experian, Responding to the PPS6 Consultation, 2004, pp 21

¹² Experian, Responding to the PPS6 Consultation, 2004, pp 23

¹³ Experian, Responding to the PPS6 Consultation, 2004, pp 24

¹⁴ Experian, Responding to the PPS6 Consultation, 2004, pp 9

¹⁵ Based on a preliminary study conducted by Accessible Retail and The Shopping Park Investors Forum

¹⁶ Based on Experian employment forecasts and estimates of current employment densities in retail warehousing

4. Many of these new jobs will be with established companies which provide training, promotion, career paths, pensions, good health and safety etc and will be accessible to excluded groups (e.g. part time available to women with children, the elderly etc).
5. Retail productivity is rising. Since 1990, retail staff productivity (calculated as retail output divided by retail employment) has increased by £6,000 to £17,500 (2000 prices).¹⁷
6. This trend is expected to continue, with productivity increasing by £6,100 to £23,600 by 2016. This is equivalent to an increase of more than a third, bigger than the expected increase in productivity across the whole economy (28%).¹⁸

Investment:

1. Around £17.5 billion (IPD data) was invested in retail warehouses, at the end of 2003 (an increase of nearly £7 billion over the last five years).¹⁹
2. Funds with a high exposure to retail warehouses have outperformed funds with lower exposure, achieving annual returns over 11% over the last 10 years, compared to 10.5% for all funds.²⁰
3. This gap has widened markedly in recent years (2001 to 2003), with funds with a high exposure enjoying annual growth of 10.3%, compared 9.2% for all funds.²¹
4. In addition, further property assets owned to support retail warehouses (distribution warehouses, HQ offices etc) are held in pension fund property portfolios, as are significant shareholdings of the leading owners and occupiers.

Impact on Town Centres and Sustainability

Assuming no increases in existing space productivity, demand for bulky goods retail warehousing space is forecast to increase by 104 million square feet by 2016 (if located in out of centre formats), an increase of some 50% on the current 200 million.²² *(NB since 2004, the bulky goods part of our sector has entered a more difficult trading environment than was anticipated, but this does not invalidate the force of the argument we presented to the PPS6 consultation).* If this demand for floor space had to be accommodated within town centres, it would have to increase to 193 million square feet.²³ This is because the efficient out of centre format cannot be replicated in town centres. Allowing for a space productivity increase of 50%, the required floor space would be reduced to 50 million square feet and 93 million respectively.²⁴ This would suggest that encouragement of innovative space solutions, such as mezzanines, is key to keeping floor space needs within a manageable space-planning framework.

¹⁷ Experian, Responding to the PPS6 Consultation, 2004, pp 11

¹⁸ Ibid

¹⁹ Experian, Responding to the PPS6 Consultation, 2004, pp 43

²⁰ Ibid

²¹ Ibid

²² Experian, Responding to the PPS6 Consultation, 2004, pp 35

²³ Ibid

²⁴ Experian, Responding to the PPS6 Consultation, 2004, pp 36

The perception in PPS6 that out of centre retail warehousing is a main cause of town centre decline is not supported by evidence. From 1993-2003, high streets lost only 2% of sales (53% to 51%), despite the creation of 70 million square feet of new out of centre space.²⁵ This small loss cannot be attributed to any laxity in the planning regime (as would appear to be the case in the revised PPS6), as the period coincides with the first tightening of policy in PPG6 in 1993 and the far more restrictive revision in 1996. Retail sales per square foot have grown faster in high streets over the last ten years than in out of centre locations (60 % compared with 20%).²⁶ The view of retailers is that high streets have benefited from the release of space formerly occupied by bulky goods retailers moving to retail parks, as the low densities of bulky goods traders have been replaced by complementary high-density retailers and other occupiers selling more suitable goods.

Regarding sustainability, the perceptions that out of centre retail warehousing is socially divisive because of its reliance on car trips and a cause of traffic congestion, are not supported by our research. 93% of adults use a car nowadays – either as a driver or as a passenger and consumers are most likely to visit retail parks or large warehouse outlets for bulky goods purchases (38%-44% as compared with 18%-27% who are most likely to visit town centres - the % varies according to the produce). Although longer, trips to retail parks are less frequent than other retail trips. Our MORI Survey indicates that trips to retail parks account for only 6% of all mileage travelled for the types of journeys covered in the research such as shopping, commuting, school runs, or leisure activities.

Retail location	%		%
Town centres	11	To/from work	35
Out of town centres	14	To/from school	5
Supermarkets	10	Leisure	18
Retail parks	6		

For the above reasons, we believe the economic benefits which would flow from the growth of the out of centre bulky goods sector can be secured without prejudice to the overall aim of PPS6 to protect town centres or to the sustainability agenda. To secure this, the policies on bulky goods retailing in PPS6 will need to be changed. At present, however, only some 3 million square feet p.a. of new space is being permitted by the planning system, a rate wholly insufficient to accommodate the forecast growth. If the revised policies in PPS6 are not changed to permit this, the economic and other benefits derived from the sector set out above will be lost.

Procedural Concerns (Annex 1)

Regarding planning procedures, we set our detailed responses to the questions you pose in Annex 1 below. In short, there are two major endemic problems: decisions on major applications are too slow, uncertain and inconsistent; and statutory development plans too detailed, inflexible, out-of-date and lacking in strategic vision.

²⁵ Experian, Responding to the PPS6 Consultation, 2004, pp 31

²⁶ Experian, Responding to the PPS6 Consultation, 2004, pp 4

The 'bottom line' for business users of the planning system of these procedural failures is the continuing imposition of higher risks and significant additional costs for business. In 1992, the CBI estimated the opportunity cost of the delay in determining applications alone to be some £0.6 billion p.a. (see reference 5 in Appendix A).

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?

In our view, the system remains complex, inflexible and inconsistent. Much of the difficulty emanates from development plans which are still rigid, too detailed, slow to produce and lacking in strategic vision. As we said in our opening remarks, the reforms introduced in the Planning and Compulsory Purchase Act 2004, which were specifically aimed at these failings, are not delivering the promised outcomes.

There has been a 40 year failure in the attempts to create a workable plan system and the time has come for radical reform. Development plans should become visionary documents which address strategic issues only and contain broad policies to deal with them. Plans should not seek to decide on the use of specific sites as such decisions are usually rendered out-of-date within a short period by changes in market conditions, or in national policies or, where public intervention is required, the uncertainties of public sector spending programmes.

The plan led system is supported, but it should be vision and strategy that leads, not detailed allocations. Development plans should be strategies not maps. Decisions on individual sites should be determined against two main criteria: whether they contribute or not to the vision and whether they would cause material harm to other interests of acknowledged importance. More detailed guidance to applicants can be given in the form of supplementary planning guidance, master plans and development briefs etc. By not specifying a single land-use allocation solution, development plans would achieve the flexibility needed to deal with changing circumstances.

Allied to this, the duration of plans should be shorter with regular reviews and if they fail to meet exacting standards in this respect, their influence as a basis of decision making and at appeals should be more rigorously curtailed than is the case at present. One area in particular which should be re-examined is the detailed processes by which the aims to secure greater public involvement are secured. The Government's aim to involve the public more meaningfully is supported, but there is a direct correlation between the amount of consultation undertaken and the speed of the planning process. The key is to strike the right balance and this is not being achieved at present.

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?

At the regional level the system introduced in 2004 is supported as it provides a strategic overview and enables allocation decisions to be made between sub-regions. However, it is crucial that regional plans (RSS) and regional economic strategies (RES) are properly integrated; similarly, the supporting strategies of delivery agencies such as the Highways Agency, NHS and Housing Corporation must be aligned as well. Again, there are concerns that this is not happening, the most serious of which is that the 'heavy' transport and utilities infrastructure needed to ensure that growth targets are delivered in a sustainable way is lacking from plans and programmes.

At the local level, we believe the system is still failing to deliver up-to-date strategic vision which can be flexibly implemented. The 2004 reforms have produced the opposite effect to that intended with the need to produce the 9 extensive documents constituting the new LDF placing a major strain on stretched LPA resources. Some LDFs are little more than a repetition of national policy.

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?

As we set out at length in the earlier part of our submission, AR members do not believe a reasonable balance has been achieved between the need to secure economic prosperity and the protection of the environment. Both aims are contained in the Government's definition of sustainability, but the system is slanted towards environmental protection. We refer you to our earlier comments in the main part of this submission.

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?

Again we refer you to our earlier comments. Recent reforms are not delivering the promised improvements and the resultant cost to our members now exceeds by some margin the £0.6 billion p.a. estimated in 1992.

We support the idea of Planning Delivery Agreements where the LPA and the applicant agree at the outset to a timeframe within which an application should be determined, particularly for the handling of large and complex proposals.

It is notable that the planning system has not been used for schemes considered to be of national importance (e.g. Canary Wharf and the Channel Tunnel Rail Link) where the process followed has been either a Development Agency/Corporation or parliamentary powers. We support this as means of ensuring national projects and major infrastructure projects are delivered in a timescale significantly better than that which can be achieved by the planning system. The contrast in the time taken to achieve planning for these projects compared with that needed for Terminal 5 at Heathrow speaks for itself.

We have not commented on Planning Gain Supplement as this proposal has a separate consultative process. Suffice it to say that we believe it will significantly 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 plans, particularly between regional and local plans is inadequate. The significant policy dislocation between the levels of local government and assemblies responsible for their respective preparation makes this unsurprising. What is more difficult to accept is the lack of integration between Regional Spatial Strategies and corresponding Regional Economic Strategies as these are prepared by bodies with a largely similar strategic remit. Perhaps part of the answer lies in the fact that the RDAs are moving away from economic strategies based on physical development towards ones in which skills and training programmes lie at the heart of aspirations. If so, this needs to be recognised by a realignment of powers, responsibilities and funding.

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?

A major cause of delay is that LPA town planning departments have experienced severe recruitment difficulties. At the same time planning has become more complex and the public and LPAs have made ever more demands on planning staff. Applicants now need the advice of Planning Consultants, where once an Architect or Engineer may have fulfilled the role.

In order to meet the consequent client demand, planning consultants have gone to the only suitable place to recruit, LPAs, and stripped them of their more competent staff. The remaining staff are often ill equipped with insufficient skills to deal with larger schemes and resort to asking for ever more and sometimes irrelevant studies and information to give themselves more time to understand proposals. This translates into even more work for the applicant and the need for more consultants.

To address this in the long term, town planning must be promoted as a worthwhile career within schools and universities. More immediately, applicants for major schemes should be encouraged to fund external resources to support LPAs. In addition, planning committee Members should be given additional training in planning law and practice to achieve a better basic level of understanding before being allowed to decide significant applications.

Also, 80% of applications are relatively simple householder applications which do not require the attention of highly trained planning professionals. If local authority structures were changed and permitted development rights extended, it would result in existing resources being better used to make decisions on larger, more complicated proposals, all of which have a greater impact on economic growth.

The current process contains multiple repetitions and at present, statutory consultees make judgements and comments which go well beyond their remit, often causing unnecessary contradiction (e.g. between CABE and English Heritage), confusion and delay. The process of call-ins and recovered decisions results in unnecessary delay; the planning system should be subject to the same reforms as introduced by Lord Wolf to speed up and make more efficient the operation of the judiciary.

In addition, the present process is over-engineered, a prime example being the requirement for LPAs' Statements of Community Involvement to be vetted by the Planning Inspectorate for soundness. Reconciling the benefits of consultation and participation with the need for speed and efficiency is perhaps the major challenge facing planning apart from ensuring economic considerations are given due prominence.

In short, simplification and transparency are required. Regarding applications, fair guidelines are needed set out in simple language to grade the importance of applications and what information should accompany each application. An attempt has been made but it is still opaque. Allied to this, the objectives of the planning system should be properly co-ordinated and reconciled to avoid conflict. Also the views of quasi - governmental organisations must be provided more promptly and co-ordinated such that there are not distinctly different views emanating from what should be the same stand point.

Development plans should be a vehicle in which a clear vision is set out supported by measurable outputs and flexible routes to implementation rather than as, at present, a 'one-route-only' detailed land-use plan which will almost certainly become inadequate due to changing circumstances within a short period of its adoption. Such a format would assist in keeping plans up-to-date through regular reviews. In addition, simpler procedures including preparation, consultation and scrutiny are needed than is currently the case. In no other aspect of the discharge of local authority functions (Housing Plans, Local Transport Plans, Education Plans etc) are such long and complex plan making processes or consultation required.

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 plethora of supporting documents now required to accompany major applications adds significantly to the costs of development. While this may have a deterrent effect on proposed developments at the margin of profitability, for more viable schemes it impacts in other ways. It may engender a more cautious approach to innovation, reduce the quality of design and result in less financial surplus available for sharing with the community in the form of planning gain. Also, we question whether, in all but the very largest developments, they add much value to the subsequent decision making process. Further, as we mentioned earlier, many of these reports are produced by expert consultants and then considered by planning officers who do not have the specialist skills to judge their merit or otherwise.

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?

We make no comment as the factors which determine land value in England are complex and extend beyond the planning system.

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?

We believe the planning system has a major impact on competition, particularly on economies of scale. For AR members, this is the major concern we have with the planning system and we have dealt with its causes and consequences, which are mainly to be found in policy rather than procedures, at length earlier in our main submission.

It is worth emphasising, however, that the planning system cannot ignore market forces. As the UK economy becomes dominated by the financial markets and the service sector, most companies are footloose and will site themselves wherever their locational needs (optimised costs, skilled labour availability, closeness to markets, cluster advantages etc) can best be satisfied. For the largest companies, the emergence of a global marketplace means that their options transcend national boundaries and continents. The planning system may be able to prevent these and other companies' from occupying their preferred choice of location, but it can not force them to go to sites preferred by the planning system. Where it tries to do this, and forces companies to relocate elsewhere, the economy, whether at local, regional, national or international levels, may well be adversely affected.

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

In 2000, the then DETR published 'Planning for Clusters', in response to growing acknowledgement that the presence of industrial clusters was a 'key attribute of a region or a country's competitive position. The study, however, concluded that 'the planning system has not generally recognised clusters' and that 'planners had

very little information on the formation, development and dynamics and needs of clusters in their area'. One of the report's recommendations was that cluster development should be supported through regional planning guidance and through local development plans.

To this end, Simplified Planning Zones and Enterprise Zones have been used to encourage development of industrial clusters and the Planning and Compulsory Purchase Act 2004 enables the making of Local Development Orders. These attempts to create clusters have had limited success.

AR members believe there are two reasons for this. First, as we mention in our main evidence (and as is recognised in the DETR report), planners do not have sufficient knowledge and understanding of the dynamics of industries to be able to make rational land-use location and allocation decisions to support clusters of those industries. We mentioned earlier that PPS6 has been drafted with an anti warehouse park bias by planners who have no clear understanding of the changing format of retailing, changing customer preferences, or the causes of town centre growth/decline. Second, there is a tendency to perceive of clusters as being a phenomenon limited only to the regional/sub-regional level and only for high tech industries or major financial centres. The planning system does not understand the importance of retail clusters outside town centres at a more local level to GDP growth and improved competitiveness.

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?

We believe there are significant skill shortages, particularly with regard to economic skills and knowledge of the changing dynamics and formats of retailing and we refer you to the points we make in response to question 7.

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?

We support the Government's aim to encourage more meaningful and wider stakeholder engagement and consultation in the planning system, but the benefits have to be secured within a reasonable and predictable timescale. We do not believe the right balance has yet been found. Statements of Community Involvement provide a basis for moving forward, but at the same time as empowering the public, SCIs must make it clear that participation is not an open-ended process and repeated 'bites of the same cherry' to oppose developments will not be permitted.

We believe the encouraging of pre-application discussions on proposals to have been a particularly valuable development.

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 difficulty of achieving a better balance acceptable to applicants and local communities should not be underestimated. Recent research (2006) by the Saint Consulting Group shows that ‘the overwhelming majority of the population (84%) want no further new development in their area’ and that ‘few people (6%) have ever felt motivated to campaign in favour of new development’. These results suggest that if measures are needed, it is in ensuring the benefits of economic development are better understood and appreciated rather than the other way round.

Also, the final decision on planning applications is made by Councillors and where an application conforms to policy but is opposed by the community, it can be easier for LPA members to refuse permission thereby effectively distancing themselves and the LPA from the decision by leaving it to the appeal process. The Saint research showed that 72% of respondents thought that a council candidate’s position on new development in their area is critical to how they cast their vote at local elections.

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?

AR members believe that economic development has a major role to play in the regeneration and renaissance of deprived areas. We have already commented that this is sometimes given insufficient weight in planning policy (see main evidence above) and we believe that it should be placed on a more equal footing with other considerations.

AR is currently funding research led by the Undeveloped Markets Unit in Business in the Community which seeks to identify the extent to which retail employment is a means of regenerating areas. This research will be ready in the late spring and we would be happy to provide a copy to the Barker Review when it is available.

Conclusion

In conclusion, if it would assist, we would be very pleased to elaborate on our views by bringing some of the sector’s leading owners and traders to give oral evidence to your Review.

Yours Sincerely



William McKee (Chief Executive, Accessible Retail)

Accessible Retail
Orb Support
PO Box 164
Saffron Walden
Essex
CB10 9AA

Appendix A

Substantive Reviews of the Operation of the Planning System 1967-2006

1. 1967, 'Town and Country Planning', MHLG
2. 1977, 'The Crisis in Planning', Town and Country Planning Association
3. 1978, 'Planning Procedures', Government's response to the Eighth Report from the Expenditure Committee Session 1976-1977
4. 1986, 'Town and Country Planning', Report to the Nuffield Foundation
5. 1992, 'Shaping the Nation – Report of the Planning Task Force, Confederation of British Industry
6. 1997, 'Comprehensive Spending Review on Land-Use Planning', DETR
7. 1998, 'The Economic Consequences of Planning to the Business Sector', Berkeley Hanover Consulting and Bone Wells Associates for DETR
8. 2000, 'Reforming Local Planning', Local Government Association
9. 2001, 'The Simplification of Planning Legislation', The Society for Advanced Legal Studies – Planning and Environment Law Reform Group
10. 2001, 'Planning for Productivity – A Ten Point Action Plan', Confederation of British Industry
11. 2001, 'Green Paper on Planning Reform', DTLR
12. 2002, 'Liberating the Land'[, Institute of Economic Affairs
13. ODPM Select Committee Inquiry 2002/2003
14. 2005, 'UK Planning Reform: A Regulationist Interpretation', Alan Prior Heriot-Watt University Edinburgh

=====

