



RTPI

mediation of space · making of place

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Dear Sir Michael

ROYAL TOWN PLANNING INSTITUTE RESPONSE TO FURTHER QUESTIONS

The Royal Town Planning Institute (RTPI) is a membership organisation representing 20,000 spatial planners. The RTPI exists to advance the science and art of spatial planning for the benefit of the public. Many of our members are employed by or provide advice to local government.

The RTPI welcomes the Chancellor's agreement of additional time for your inquiry to consider the implications of the recent Barker, Eddington and Leitch Reports for local government. The RTPI equally welcomes the additional questions that you have circulated to your stakeholders, representing clear evidence of your understanding of the need to integrate this important work in your own findings. Please find our response to your questions below.

The RTPI considers that spatial planners' key role as 'mediators of space – makers of place' is synonymous with the place-shaping mission you have identified for local government. We consider spatial planning to be inextricably bound into the activities of effective local government. As an entity concerned with spatial planning, we have focused our response to your questions on the implications of the Barker report. This is not to underplay the significance of the other two reports for local government, but does respond to the particular nature of our role and remit.

Should your team have any questions about our response, please contact me on 020 7929 9478 or by email to rynd.smith@rtpi.org.uk.

Yours sincerely

DIGITALLY SIGNED BY RYND SMITH
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Enc.

The Royal Town Planning Institute

THE LYONS INQUIRY: RESPONSE TO NEW QUESTIONS

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Barker Review of Land Use Planning

Governance

- What specific measures are needed to ensure that local planning authorities have appropriate flexibility over issues of solely local impact? Are there particular implications from the Review's recommendations on the use of green belt land?

Local Impact, Local Interest and Planning

The Lyons Report of May 2006 identified local 'place shaping' as a critical role and justification for local government. The Royal Town Planning Institute (RTPI) similarly identifies place shaping: the mediation of space and the making of place, as its and the planning profession's core competencies and activities.

The New Vision for Planning is built around the core ideas of a planning that is:

- *Spatial - dealing with the unique needs and characteristics of places*
- *Sustainable - looking at the short, medium and long term issues*
- *Integrative - in terms of the knowledge, objectives and actions involved*
- *Inclusive - recognising the wide range of people involved in planning*

In all these matters Planning is:

- *Value-driven - concerned with identifying, understanding and mediating conflicting sets of values*
- *Action-oriented - driven by the twin activities of mediating space and making of place.*

...

Planning involves twin activities: the management of the competing uses for space; and the making of places that are valued and have identity. ¹

It is a given that places are most critically valued and have identity in local terms, so the RTPI sees the functions of spatial planning and those of local government as being inextricably linked and interwoven.

The implications of the Lyons approach to local governance for planning suggest a significant shift towards greater localism in the determination of the issues and priorities that underpin planning policies and decision-making.

Such an approach is interesting, in the context of both the Local Government White Paper and the Barker Report of December 2006. The white paper has broadly endorsed the principle of localism across a broad basket of local government policy and service areas, whilst remaining quiet and deferring to the Barker Report in respect of spatial planning. The Barker Report has tended to place national economic interests at the heart of its reasoning and hence has not fully adopted the Lyons frame of reference. The reconciliation of the general approach to local government set out

¹ RTPI New Vision for Planning: 2001

in the Lyons report of May 2006 and to some extent in the white paper, with that found in the Barker report is thus a critical task, if spatial planning, a key element of local government's 'place shaping' function, is not to end up pulling in two directions at once.

The RTPI commences by observing that localism is a valuable and supportable approach to decision making, on the basis that the policy that is made and the decisions that are taken are genuinely local in nature. To this extent, it counsels against an over-enthusiastic adoption of the Barker creed, in a manner that could be read by many communities as reducing their genuine capacity to influence policies and decisions that make and shape their local places.

An undue adoption of approaches to policy and decision making for planning that were seen to marginalise or remove the legitimate role for local government as the representative of local communities would not serve the national economic interest in the medium to long term, as it would run counter to established traditions of local and community involvement and sow the seeds for disputes and protests that would find expression in other, potentially far more time and resource consumptive exercises than planning processes: from procedurally based litigation, to mass direct action. The days when the interests of the nation or region in policy can be locally imposed without the consent of the governed are over and have been over for some decades: the contrary view is naïve.

The RTPI considers that the underlying Lyons analysis that local governments' capacity to manage and influence matters that are essentially local in nature has been reduced holds as good for spatial planning as for other subject matters. However, with respect to spatial planning, some care is required in recognising and determining the issues are essentially local in nature, an issue that is explored in Example 1 below in respect of housing policy and delivery.

So, in terms, such as these, what is the valid interest of localism in planning?

The RTPI considers that localism can be given its best spatial planning expression by:

- ensuring that national and regional and regional policies express genuinely national and regional needs and priorities;
- ensuring that national and regional policies are expressed as far as possible in performance-based terms, facilitating localism in delivery where this is possible²; and
- ensuring that subject matters of genuine local interest are not trespassed upon by over-riding national and regional policies that are unduly detailed.

² It should be noted that it will not always be possible for matters of national or regional priority to be locally delivered using performance based policies, as the scale of the issue or the means of implementation may far transcend the interests or capacities of local government. As an illustration, if one considers proposals affecting the management of the electricity grid as a national asset, or decisions about new generation facilities with outputs sufficient to serve many local government areas, it is clear that there will be an ongoing role for national policy and decision making; but this is not to deny local government's legitimate role as a consultee on behalf of the communities it represents.

Example 1:

Housing policy and delivery demonstrates how issues can be national, regional and local and demonstrate that 'disentangling' those issues of solely local impact requires clear agreement between stakeholders including national and regional as well as local government.

It is a matter of national and regional policy importance that we have a housing market that provides diversity and choice in the location, size and type of homes available to people, in a manner that matches housing supply to housing need and avoids significant market failures in terms of major housing price declines, major increases in unaffordability or major declines in the availability or quality of social housing stock.

It is equally important that new housing is sustainable in terms of its location vis a vis social and physical infrastructures and its design.

Having identified these as national and regional policy subject matters, it appears that it would not be a valid outcome of localism to support local government to make housing policies that, for example, deliberately sought to take an unduly low share of development (expressed for example as a per capita share of regional need) to meet new housing demand, either generally or in respect of particular housing types, having regard to the capacity of land and infrastructures in the area.

Similarly, it would not be a valid outcome of localism to support local government to make housing policies that sought to reduce the sustainability of new housing by way of either location or design as a means of achieving some other, locally defined objective.

This approach can best be described as the application of the principle of subsidiarity to the making and implementation of spatial planning policy. Subsidiarity recognises that decision making should take place at the most appropriate spatial and community tier, having regard to the nature, scale and significance of the interests at stake. Applying such a principle, the RTPI can argue as it does with equal strength and consistency for:

- a strong expression of national spatial planning policy (a UK SPF), of particular relevance to the identification of need for and delivery of nationally significant infrastructures³;
- a strong expression of regional spatial planning policy, through the medium of the Regional Spatial Strategy (RSS) (although noting a need to enhance methods of community accountability at the regional scale);
- a strong expression of sub-regional/city regional/economic functional regional spatial planning policy, via mechanisms that include the RSS and joint working between local government areas; and
- a strong expression of local planning policy, through the Local Development Framework in close alliance with the Local Strategic Partnership (LSP)⁴.

³ And it is in this sense that the RTPI feels able to offer qualified support to the independent planning commission proposals emerging from both Eddington and Barker.

In examining this proposed framework, one can remark on some missing or under-developed elements.

At the regional level, there is the unfinished business of co-ordination and accountability structures: noting the lack of popular enthusiasm for an elected tier of regional governance. The RTPI does not propose that an elected regional tier should be forced upon unwilling communities, but does not consider that a lack of a direct accountability should also stand for the proposition that things properly expressed and delivered at the regional spatial scale should be done at a lower tier. In time, public opinion may come to accept direct regional accountability. In the meantime, there is an argument for retaining and reinforcing the role of representative local government in regional processes.

At the city regional or functional regional level, there is the longstanding argument for local governance at this scale. The difficulty with such proposals is that there is an essential contradiction with localism. Local communities often identify historically with relatively small and localized units of local government. Experience of past reviews of local government tends to suggest that new structures, based however logically on major city regions, tend not to survive the effects of deeply entrenched local patriotisms, which are themselves a product of a local sense of place. Further, although England is a largely urban country, there are still significant rural regional areas that do not naturally rest within a city region approach to local government.

Whilst the RTPI has in the past argued for a reorganisation of local government on city region principles, it does recognize that the most pragmatic way forward is instead to enhance joint working and multi-area agreements, assembling the equivalent of the French *communités urbaines*, based on principles of mutual confederalism and local consent, on an as needed/as demanded basis.

One criticism of any such approaches in support of localism is that they can lead to localism for the sake of localism, causing inherent inefficiencies as wheels are reinvented in several places at once, under the guise of local delivery. The RTPI argues that such effects are best addressed through:

- a clear and negotiated new settlement or contract with government and with the regions – setting out what is genuinely national and regional in scope and defining the terrain available for local government action and influence;
- further encouragement and development of multi-area agreements and other joint working practices between local government, to enable the gap between the large region and the small municipality to be more effectively filled, especially in areas with unitary local government;
- further development of the roles of the Audit Commission, IdeA and the Planning Advisory Service (PAS) to identify, evaluate and disseminate best practice and innovation in fields understood as local government responsibilities; and
- further development of existing approaches to bench-marking and peer reviewing in local government service planning and delivery.

⁴ Where again the RTPI supports the principle that the LDF Core Strategy should be the spatial expression of LSP priorities.

It does not appear possible to prescribe at the outset the precise range of issues that fall within the purview of national or regional policy: that is why the RTPI calls for a new settlement of a contractual nature. Example 2 suggests how this might play out with reference again to the subject matter of housing.

Example 2:

Turning again to housing as an example, this approach would suggest that whilst housing diversity and sustainability expectations and broad outcome measures would continue to be set in Planning Policy Statement 3 and land supply figures would continue to cascade down from Regional Spatial Strategies, it would be accepted that a Local Development Framework could include policies that shape places in the following terms:

- determine the strategic location of housing, as long as broad sustainability measures (including recycling brownfield land and locating housing efficiently with regard to existing and programmed major infrastructures such as power, water, gas and public transport) are met;
- determine the detailed location of housing vis a vis locally provided or facilitated services and infrastructures (such as schools, parks, healthcare, retail centres etc.)
- determine the density and type of housing, as long as broad housing diversity, social housing and net density/land efficiency measures are met; and
- determine the design of housing to respect local/neighbourhood character and foster the use of distinctive local appearance, materials and construction techniques, as long as detailed sustainable design measures (derived largely from the building regulations) are met.

The scope of this role for local government should be clearly acknowledged by higher tiers of government, which should then confine its interventions to circumstances where its interests (as identified above) were infringed and harmed by local action.

In summary, the RTPI calls for:

- a new settlement of the policy and delivery domains of national, regional and local government, given expression in contractual documents, underpinned by the principle of subsidiarity;
- strong expressions of national and regional policy in respect of subject matters of national and regional significance, with local government retaining a field of action where possible through its capacity to select or design the precise means whereby national or regional performance based policies will be implemented;
- strong expressions of local planning policy through the Local Development Framework, better integrated with Local Strategic Partnerships;
- a further emphasis on multi-area agreements and other joint working frameworks to assist in filling the delivery and accountability gap between large regions and small local government areas, particularly in areas with unitary local government; and
- further development of shared techniques, best practice dissemination and benchmarking between local government areas.

Green Belts

The Barker Report approach to Green Belts highlights the potential for conflict at the level of local government between localism and the achievement of broader sustainable development objectives.

Green Belts and equivalent policies have effects and deliver costs and benefits at a number of spatial scales, as described in Example 3 below.

Example 3

The London Green Belt has broad effects on the function and sustainability of London as a world city and can thus be understood as having global to national effects. It strongly influences the relationship between London and the rest of the South East of England and thus has strong regional effects. It provides the setting for London and access for Londoners to green and recreational space and thus has London-wide or city regional effects. It establishes the natural environment, recreational, agricultural and residential context of a large number of individual south east region counties and districts and outer London Boroughs and thus has strong local effects.

Where such an instrument is in place and has effects over such a broad scale, there are real arguments about the role of localism in policy and decision making: in respect of which spatial scale should the evaluation of the effects of the Green Belt take place, and hence by and accountable to whom should decisions about the future of the Green Belt be taken.

A contract between respective tiers and geographic interests of government would help to reconcile these potentially competing interests and make respective fields of action clear.

The RTPI has for some years advocated a review of the function of Green Belt, in broadly similar terms to those set out in the Barker Report. The RTPI's justification has been that the retention of strictly encircling belts of open space can limit or prevent the best and closest fit of new development to land where it is least likely to lead to adverse environmental effects, where it can make most efficient use of existing infrastructure capacities and where its location assists in reducing additional demand for public or private transport, relative to land beyond the Green Belt. Equivalently, the preservation of such encircling belts is not the sole means of ensuring accessibility to green and recreation space from urban land, the prevention of the apparent coalescence of settlements, the conservation and enhancement of biodiversity assets or of valued natural or cultural landscapes. All of these objectives can equally well be met using, say, a Green Wedge approach to policy, which nevertheless enables direct urban extensions on land well served by infrastructure.

That being said, the RTPI observes that once a Green Belt is in place, it generates and maintains a raft of goods that are likely to be highly valued in a local political context, even against a demonstration that the retention of those goods is less sustainable than their substitution for built development. The RTPI observes the strong local consensus that emerges in many Green Belt

locales in support of the retention of the Green Belt 'at all costs'. This consensus provides a strong local basis for reviews that include additional land within Green Belts, whilst tending to resist proposals to remove land from Green Belts.

The imperatives of sustainable development and the substantial benefits due to more efficient resource use by large populations suggest that the eventual policy solution will be to weight the achievement of sustainable development more strongly than has been the case hitherto in Green Belt reviews. This in turn suggests that, whilst there will be a role for localism and particularly for local concepts of place in determining what land might continue to be protected from urban development, in some locations with greater access to infrastructure combined with less recreational, landscape, natural environment or agricultural value, current Green Belt land should be released for development, even if this is against the express wishes of the local community as expressed through local government. The role for local government in such circumstances would be to ensure that the detailed siting and design of new housing (for example) responded to the local sense of place and that the development process benefited existing communities.

This subject stands as a clear example of the way in which negotiated contracts between central and local government, combined with effective subject based multi-area agreements, could agree shared principles for Green Belt review. These principles could then be given a performance based expression in national or regional policy and implemented by local government. However, there would clearly need to be a capacity at the central or regional level to mandate change in the wider interests of all, if individual local government areas insisted on resisting change in the interests of a few.

- **What different approaches could be taken to enable strategic decisions to be taken at an appropriate spatial level? Can local authorities work effectively in partnership across wider areas to do this or are new/reformed institutions necessary?**

Different Institutions for Different Spatial Levels?

The RTPi considers that local government can work and in some areas such as the Black Country⁵ is working effectively in partnership to take strategic decisions at the right spatial level. A key challenge appears to be to diagnose and generalise this emerging good practice, rather than to invent a further round of new institutions. Another is to ensure appropriate means of accountability to communities at appropriate spatial scales.

It will be seen from the above that the RTPi supports the following.

- The principle of subsidiarity, with spatial planning decisions being taken at the tier most relevant to their spatial scale and community benefits.
- A continued role for decision making at a national level, albeit with significant policy and efficiency enhancements when compare with current approaches. This suggests a measure of support for the Independent Planning Commission proposal discussed further below.

⁵ See for example joint Local Development Framework documents and joint work on the Black Country revisions to the West Midlands Regional Spatial Strategy.

- A continued role for decision making at the regional level, with action taken to reinforce regional and local accountability.
- Better multi-area agreements and joint working arrangements at the city region/functional region level, based on local government structures.

It follows that whilst some institutional reform will be necessary, the greatest challenge lies in effecting culture change to bring about effective data sharing and partnerships in policy making and delivery. That process is underway, so the RTPI seeks change that is evolutionary rather than revolutionary in scope.

- **What role should local authorities have in relation to a future independent Planning Commission, and how should they best work with local communities on their concerns and potential benefits?**

The Independent Planning Commission

The RTPI has outlined above its view that central decisions might be taken centrally, where the issues at stake are genuinely national in terms of scale, community and benefit. It considers that such an approach is consistent with the principle of subsidiarity in spatial planning.

The RTPI has identified the lack of effective infrastructure service and delivery planning on a national scale as a major problem afflicting planning within and for the UK and for England within it⁶. This problem also afflicts national economic competitiveness, a finding which the Barker Report reinforces. The RTPI has undertaken a research programme (the United Kingdom Spatial Planning Framework UK SPF) which has demonstrated the relative ease with which existing data relevant to policy and decision making on a UK scale can be assembled and used by government⁷. This research is responded to by the Barker Report in Chapter 3, which outlines arguments for the Independent Planning Commission.

A carefully constituted Independent Planning Commission is one possible means to ensure that national decisions are taken on a national frame of reference and with regard to consistently assembled and analysed national data on need and location, particularly with respect to major infrastructure. For this reason, the RTPI has extended a qualified welcome to the Commission proposals.

It should also be noted that a substantial justification for the standing of the Commission as an entity independent of central government rests on the Barker Report's analysis of the degree to which major infrastructure proposals subject to departmental administrative processes and Ministerial approval have a very poor record in regards the timeliness and consistency of decision making. Again, these are findings that the RTPI broadly concurs with.

However, inherent in the Commission proposal is a substantial potential for deficits of democratic or indeed any form of accountability, unless its constitution and powers are very carefully

⁶ See for example, the RTPI's response to HM Treasury's Cross Cutting Review of Infrastructure Provision for Housing Growth, August 2006 <http://www.rtpi.org.uk/download/202/pol20060839.pdf>

⁷ See C Wong et al, RTPI, 2006 <http://www.rtpi.org.uk/download/241/spatial2.pdf>

considered. Great care will be required in setting out and distinguishing the respective roles of the Commission as policy maker and decision maker, if it is not to be laid open to charges of both community disenfranchisement, or simply of providing a means to appeal from Caesar unto Caesar. Similar care is required in expressing the relationship between any Commission and local government.

Taking these issues into account, the RTPI considers that a number of options for the implementation of the Commission proposal should be explored and that any eventual option should be selected on the basis of its capacity to optimise:

- effective engagement with local communities;
- effective partnership (by way of contract) with local government in the setting of priorities, making of policies and decision making with local implications.

Options currently under consideration by the RTPI include the following, which should not be read as necessarily mutually exclusive. Nor are these options finalized at this stage, as there is still an ongoing debate within the RTPI about the formulation of our detailed response to the Barker Report.

- Splitting the policy and decision making roles of the Commission. This could involve the retention of a departmental role for policy making, but under a redefined rubric or under new institutional arrangements such as the establishment of a 'department of infrastructure' reporting to Parliament. Equivalently, it could involve establishing a Commission with two 'divisions': one acting as a policy developer and proponent, and one acting as a facilitator of community engagement and as eventual decision maker. Whatever mechanism is finally recommended by the RTPI will need to address the provision of clear accountability mechanisms.
- Providing mechanisms of community involvement in policy making and eventual decision making by the Commission.
- Providing local government with a statutory 'right to be heard' by the Commission.
- Ensuring the Commission includes representatives of affected local government areas when developing policies or taking decisions with local implications.
- Ensuring that Commission decisions implement the development plan including the Local Development Framework, unless significant material considerations that are national in scope indicate otherwise. In such cases, such a preliminary finding should be made transparent and local government should be heard on the question of how best to give effect to the intentions of the development plan before a final decision is made.

In short, the RTPI considers that an Independent Planning Commission can have a valid role in policy and decision making, but needs to work in a carefully negotiated partnership of information and accountability, with local government and local communities.

Convening

- **How can local authorities link work on planning, housing and transport issues together most effectively?**

It is a core element of the RTPI's New Vision for Planning to foster culture change amongst planners. The conception of land use planning as a limited, negative and regulatory discipline is being replaced with a conception of spatial planning as a holistic, interdisciplinary and integrated practice. In this latter context, it should be increasingly normal for spatial planners to wish to and have the skills to work proactively and in partnership with those responsible for housing and transport issues, to name but two subject matters bearing on planning. Planners' relevant skills will include the engagement of communities in the making of desired future visions, the identification of needs, costs and benefits from social, economic and environmental data, the making of policies to shape and test outcomes, the assembly and project management of partnerships for delivery and the monitoring, feedback and steering of outcomes.

The challenge for local government is to make best use of:

- the professional skills of the planners and other professionals resident within its labour force; and
- the professional and other skills of partners in service delivery in the community that it serves.

This can be brought about in a number of ways:

- Leadership should express a strong vision in favour of the styles of integrated working now expected of planners. It should be made clear that whilst there is an ongoing relevance and respect for specialist technical disciplines, be they highway engineering, architecture, building surveying, ecology, housing administration and the like, there is no role for silo practice or delivery. There should be an overarching expectation on all local government professionals to work together as part of a team, setting and achieving goals for their communities and continuously considering the implications of their objectives and professional practice for the objectives and professional practice of others.
- As part of this process, the Barker Report recommends a strengthened role for the chief planner⁸. This theme was also taken up in the Local Government White Paper⁹ which proposed that it was 'vital' that a professionally qualified planner should form part of the local government team of corporate (strategic) directors. The RTPI endorses these findings and suggests that a spatial planning should be a core discipline whereby local governments identify, set and achieve their objectives.
- Local government can further build on Local Strategic Partnerships (LSPs) and local and multi-area agreements. By better resourcing and integrating these processes with corporate and spatial plan-making, it can build a new culture of using the spatial plan making skills of planners over the wider subject matters of partnerships.

Funding

- **What would be the most effective and practical means of creating incentives for local authorities to support appropriate growth?**

⁸ Recommendation 21.

⁹ Volume 1: Paragraph E36.

The RTPI recognises that growth has front-loaded financial costs and any measures to defray these costs will be welcomed by local government. The degree to which existing local government finance structures are designed to deliver equalisation and a common range and standard of services for all are anti-localist in effect and can, as both your May 2006 report and the Barker Report suggest, fail to incentivise local government to bring about growth with its attendant raised local costs.

A number of measures relevant to spatial planning processes can be considered as means of overcoming this effect. However, these should not be taken as suggesting that the RTPI supports a complete localisation of revenue base for local government, or a substantial dismantling of the principle of equalisation. The underpinning of service range and quality provided by funding equalisation is valuable for the nation as a whole. It appears an important national objective to ensure that core local government service availability and quality does not become a 'post code lottery'.

Possible measures for consideration include the following.

- Enabling the setting aside a greater than current proportion of local government income as locally hypothecable to implement particular objectives. The BID's funding model introduced from the United States is but one means of achieving this end, but is very much a 'special measure'. Such approaches should be normalised, enabling local government to set objective based rates and charges for a reasonably permissive range of capital improvements and services.
- In terms of revenue front loading, there is a reasonably persuasive argument for enabling the use of tax increment financing (TIF), whereby local government borrows against the strength of the increased local taxation revenues (whether by way of increased general, business rate or special charge) due to the carrying out of a project or programme, to which the proceeds of the borrowing are then devoted. TIF is widely used in the United States and has been criticised by some as leading to growth in inequity: in short, taxing the poor and disadvantaged to provide their own regeneration and service requirements. However, in the context of the strong underpinning of equalisation in English local government finance, it appears likely that the benefits to be obtained from TIF would significantly outweigh the concerns. Measures could be taken to ensure that English TIFs benefited from funding additionality: namely that the any borrowing against special revenues was matched to general revenue funding or special grant funding not from the local community.
- A key funding measure emerging from Kate Barker's inquiry into housing has been the Planning Gain Supplement (PGS), to which it now appears that the government is committed. The RTPI supports the principle of taxing the value gains due to spatial planning processes and notes that this taxation, if devoted to provide a local revenue stream, provides a direct linkage between policy supporting appropriate growth and the realisation of that growth. That being said, the RTPI has strong concerns that the PGS as currently proposed is an insufficiently localist measure and will become a blockage in the necessary route towards providing new development with much needed off-site infrastructure. The critical issue to be resolved is the precise relationship between planning obligations funding (section 106 of the Town and Country Planning Act 1990) and PGS funding, with the current consultation paper

from CLG¹⁰ suggesting what appear to be over complicated and indirect funding relationships between the direct local revenue available under s106 and PGS revenue. It is by no means clear that PGS would fund the entirety of necessary off-site infrastructure needs brought about by development, or that its income stream would be timely to enable advance provision. The RTPi is currently developing a measure that would return to the use of section 106 to deliver full scale negotiated off-site infrastructure payments that could stand as a PGS tax credit and overcome the delays and uncertainties inherent in the system as currently proposed. However this work plays out, it will be critically important to ensure that whatever PGS system is implemented works and does not lead to more complicated and indirect processes for delivering necessary infrastructures to support development.

- **How should the empty property relief in business rates be reformed? How should a charge on vacant and derelict brownfield land be introduced into the existing local land and property tax system? Would any local flexibility on such measures be desirable?**

It is arguable that empty property relief in business rates should be transitional – shrinking over time and phased out if property remains un-used after a reasonable period for the winding up of a business and disposal/redeployment of assets.

Similarly, it is arguable that supported that after the passage of this time, vacant business land should be taxed at an annually increasing percentage of for example, a notional rental yield, bearing in mind the provisions of the Local Development Framework and potential use, not just actual/lawful/historic use. This should be a local revenue generating measure that would also incentivise private interests to release land for appropriate development.

Local flexibility in the implementation of such measures would be desirable as, for example, the retention of a parcel of land unused may respond to a broader strategic position in the Local Development Framework and be beneficial in the medium to long term. Local government should have discretion to increase business rate relief or to waive or reduce any local land tax to meet defined strategic objectives or to ensure that future potential objectives are not compromised.

¹⁰ See <http://www.communities.gov.uk/index.asp?id=1504924>

Eddington Transport Study

Governance

Much of the RTPi response to your Eddington Report questions arises from the principles discussed in our response to the Barker Report, outlined above. For this reason, we have responded in briefer terms than above.

- **Can local authorities work effectively in partnership to deliver transport outcomes or are new/reformed institutions necessary?**

Local authorities plan making powers, combined with the emerging techniques of partnership formation and working (Local Strategic Partnerships, Local Area Agreements and the emerging concept of multi area agreements) are capable of delivering effective work for transport development and major institutional reform is not seen as being necessary.

One area requiring further development will be the formalisation of infrastructure co-ordination, plan making and delivery powers. This could happen within the Local Development Framework, in the form of a development plan document setting transport priorities and identifying design and delivery partners. Such a plan should be contractually endorsed by the partners required in its implementation.

- **What are the key behaviours required of local authorities to work in such partnerships? Would new institutional or contractual arrangements be needed to support them?**

As emphasised above, the willingness to work in partnership within a policy framework formed by the Local Development Framework and then to be contractually bound for a determinate period by the results of the partnership agreement will be critical.

Funding

- **How could current funding arrangements best be reformed to support cost effective and appropriate spending and investment decisions at sub-national level?**

Technologies are either available or under development that will enable effective microcharging for road use on the local road network. If used, these technologies have the potential to provide a number of key benefits:

- Detailed understandings of road usage patterns, underpinning the development of sound capacity and demand management policies and projects.
- The ability to use price to influence time and location of road usage on local networks.
- Providing a source of revenue for local transport initiatives.

Automated collection would enable payments to be made directly to the local transport/highway authority.

- **What transport funding sources are most appropriately managed by local bodies? What would be the most appropriate incentives to encourage the adoption of demand management options at a local level?**

Local road user charges are best managed by local bodies, as they bear a direct relationship to local service provision: road system design, construction and maintenance and public transport policy, funding and provision.

The adoption of a micropayment user charging system in which revenues could be locally adjusted to address demand issues apparent at the local level.

- **Local authorities currently retain the revenues from local road pricing schemes. How might further developments in this area affect the use of those revenues?**

In the view of the RTPi, road pricing requires to be implemented at a point at which the charging technologies are simple and allow users to transit from one to another element of the road network, rendering the appropriate payment to the manager of the that component of the network. Such a system would replace the road fund license and would remunerate the Highways Agency in addition to local highways authorities.

Leitch Review of Skills

Having regard to the Leitch Report, the RTPI observes that its subject matters and findings, whilst critical for local government in its roles as convener, local education authority and regeneration facilitator, are not core to the RTPI's mission. It follows that the RTPI does not respond directly to the Leitch report questions.

Overall

Do local authorities have the powers they need to effectively undertake their place-shaping role, particularly with regard to pursuing economic prosperity?

Local authorities plan making powers, combined with the emerging techniques of partnership formation and working (Local Strategic Partnerships, Local Area Agreements and the emerging concept of multi area agreements) are broadly attuned towards place-shaping with regard to pursuing economic prosperity. One area requiring further development will be the formalisation of infrastructure co-ordination, plan making and delivery powers.

Local government does not have as full a suite of revenue powers necessary to this task as it could have.

The RTPI has outlined its support above for the following additional powers:

- Flexible local capacity to apply (or not apply) business rate exemptions in the interests of achieving place shaping objectives.
- The capacity to set and levy a graded local land tax, chargeable against derelict or un-used land.

The RTPI is also developing a call for a local government capacity to determine the broad subject matter of section 106 agreements and (assuming the implementation of PGS) to grant PGS tax credits for section 106 payments against infrastructure requirements that are normally assumed to be met from PGS revenue.

Are there any other aspects of these reviews relevant to local authorities and to their place-shaping role that I have not identified? If so, what are they and what are their implications?

Barker Recommendation 15 is closely concerned with plan making procedures at local government level. It places a strong emphasis on expedition, suggesting a need to reduce anticipated Local Development Framework document preparation from 36 – 42 months, to 24 – 18 months, whilst 'ensuring appropriate levels of community involvement'.

The RTPI supports the greater harmonisation of consultative processes in Local Development Framework documentation and consultative processes for corporate and other departmental local government functions. Ideally, each Council should have a 'corporate consultation centre', which maintains close liaison with stakeholders of all kinds and maintains and develops expertise in community consultation and engagement across a wide range of subject matters. Such an approach will enable intelligence sharing between consultations and departments and will also help to reduce the number of consultations to which the public can be subject, inducing 'consultation fatigue'.

In working towards such an end, the RTPI emphasises the developed expertise that spatial planners have in community consultation and engagement

Whilst the RTPI is not opposed in principle to streamlining and efficiency measures, where there is genuine scope for improvement in Local Development Framework processes, it is on reflection concerned about proposals for the wholesale removal of the consideration of issues and options at a formal stage of public involvement in plan making. Canvassing this proposal with a wide range of members has elicited the response that if any stage of the plan-making process is to be removed in the interests of expedition, it should be the preferred options stage.

The development of issues and options is a critical foundation stone stage of strategic direction, during which stakeholders may legitimately criticise the fundamental choices faced by a plan making process. Once this stage is passed, considerable investment will have taken place in option development and it will be difficult to justify a return to first principles to address stakeholder concerns. This suggests the retention of a community involvement mechanism. In contrast, the preferred options stage synthesises the results of the issues and options stage and is itself but a staging post on the route towards a draft plan document. Community engagement at this stage may be argued to reiterate community engagement around the finalised plan.

Barker Recommendation 18 calls for a rebalancing of the threshold of planning control based on the principles of risk based regulation, with development embodying risk that is not significant accepted as permitted development. Again, the RTPI conceptually supports this principle, but notes that the concepts of 'risk' and 'significance' require some measure of affected community validation. There are clear trade-offs here: a more restrictive approach to risk and significance may well produce a culture that is less immediately supportive of innovation and economic growth. However, it is an essential component of localism and local place shaping that elements of this judgment fall to be taken by local government and not by central government.

Recommendation 18 also refers to the development of a system of impact mitigation payments, which could exist in parallel to the formal planning system as 'side payments' a concept initially drawn from the administration of the New Zealand Resource Management Act. Under this proposal, a person proposing a certain classes of development could make side payments to affected parties. If these parties then agreed not to object to the proposal, it would be permitted development under the planning system.

The RTPI has a profound difficulty with this proposal, which traces back to the founding justification for the existence of a planning system and its administration by local government. Planning exists to manage development in the public interest. The aggregate of private interests expressed in the capacity to make and willingness to receive side payments does not necessarily equate to the public interest. Further, the planning system requires public belief in its probity and consistency as a precursor to its sound operation. A little like Lord Acton's dictum in respect of the law, that justice must not only be done, but must be seen to be done, so the RTPI considers that the public interest must not only be served by a planning system, but must be seen to be served. Our concern with a system of side payments is that these are not transparent, will lead to potentially inconsistent outcomes and have the capacity to taint local government by association with a public perception that the system is essentially corruptible. From a local government perspective, such proposals have the potential to raise very substantial concerns and require considerable re-working before they could proceed in any form.