

How is Planning Able to Aid Economic Recovery?

Report from the Discussion Workshop held on Monday 30th March 2009,
held at the National Museum, Cardiff

Planning is now operating in a different economic climate to 12 months ago, and yet it still needs to meet government policy and targets on affordable housing, climate change and a raft of other requirements. How can planning aid economic recovery, as highlighted in a recent Assembly Government Economic Summit, whilst still meeting other government policy and delivering balanced sustainable development? This was a key question posed at the Wales Planning Forum in February and Jane Davidson, Minister for Environment, Sustainability and Housing has invited the Forum to make suggestions. In response to this, the RTPI and the Planning Officer's Society for Wales (POSW) facilitated a round table discussion with a range of stakeholders.

The workshop attracted 40 interested individuals, who are listed in Annex 1; the mix of the contributors across five groups enabled depth and interesting discussions on the issues from different perspectives. Specific points have not been attributed to individuals to encourage an open and constructive debate.

Five questions were posed for each group to consider planning's role in the economic recovery. A sixth question was asked specifically to address the Minister's request for options on streamlining the planning system.

Context Setting

In some ways, planning has become a framework for negotiation, but what is planning when that context disappears? How do we implement plans when there is no activity?

There is a lack of understanding on the meaning of statements which refer to 'normality' – what is normality? There needs to be a rethink of the financial approach; the approach to regeneration needs to be more innovative. More use also needs to be made of the third sector.

The caseload of the Planning Inspectorate (PINS) in Wales in December was the highest ever intake, but in February it fell by 0.5%. This is projected to fall by 5% by the end of the year; and possibly 10% next year. But in England the fall has been 25%; major appeals have fallen by 50%. Householder appeals in England are also now dropping. Wales tends to lag behind England, so there may be further falls witnessed in Wales. If appeals do drop off in Wales, PINS may be able to increase the resources allocated to LDP inquiries.

There is now an opportunity for planners to do some decent planning. There are lots of opportunities; there is less competition to buy land. It is in everyone's interest to get development to happen – houses, jobs etc.

Despite the need for being flexible, there is a need to ensure good, long term strategies. Everyone needs to work together; the process needs to be user friendly and proactive.

1 What has caused the current recession? What are the implications of the recession on development?

Reasons for the market slowdown given include a readjustment of the market, oversupply of cheap finance and artificial valuations.

The type of property product has lacked diversity in recent years. Volume developments have been most common, driven by aspirations for higher profits; the high level of apartments constructed in areas, particularly Cardiff, is an example of this. It was asked if they have the assets to deliver.

The problems have been around for some time; the commercial sector has had problems for around 18 months; this has not been acknowledged as much as the housing market problems.

Was the planning system robust enough to challenge the assertions made in the past? It is felt that planners need to take a holistic view to prevent this again in the future.

Ways need to be found which share the risk to encourage more balanced stock coming forward.

Despite the economic downturn, PINS will not tolerate poor design or a lack of sustainability in schemes.

Professional Skills

There is a high risk that skilled staff will move out of the industry now as a result of redundancies and there is a question on how the industry will be able to deal with this loss of skills when the market picks up. Ways need to be found to retain the skills to be able to deliver the needs.

It was also suggested that there may be problems on the consistency of approach to projects given redundancies in the private sector.

Implications of the Recession

This is not just a problem for the private sector; the public sector as a developer will also be affected through lower land returns.

Many permissions are not being progressed due to restrictions on bank loans and questions on whether the projects are right given the change in market demand.

2 How can all the different sectors involved in development and regeneration work together to aid economic recovery?

There needs to be a clear distinction between development and regeneration; their context and requirements are quite different.

The needs for development have not changed – there is still a need for houses, places to work etc. This includes the needs set out in the emerging Local Development Plans (LDPs). It is the mechanisms for delivering these needs that have changed as a result of the recession. This means that rather than changing existing agreements, there needs to be an evaluation of what has changed and the mechanism for delivering the agreements needs to be revisited.

The LDP process is still fundamental; LDPs will bring a valuable evidence base and demonstration of need and provide a clear statement of purpose. The implications of development need to be fully understood. This process should not just been seen as a 'bolt-on'; it is an essential part of place making, including community integration. LDPs need to be closer to the application process. Could there be more delegation to officers? The process of consultation on applications within authorities and external bodies takes too long.

It must be acknowledged that good places are still selling in the current market. It is hoped that the challenges will be short term; planners still need to be proactive. However, flexible delivery options need to be worked out.

A clear message was that there is a need for pro-active planning rather than re-active planning. This also requires the need to determine the resources to meet priorities. Will the drop in fees lead to job cuts in planning departments – this should not happen.

Collaborative working

There needs to be more collaborative working; including internal local authority joined up working. The requirements from planning permissions and planning agreements need to be clear from the outset. It was suggested that communications need to be improved; and that developers need to be more open.

It is also important that the private and public sectors work with the third sector

Partnerships need to be formed. It is important to have the expertise in one place. Resources need to be integrated.

It was asked whether Local Planning Authorities (LPAs) should be bending over backward for developers to encourage development or should LPAs be trying to reverse the mistakes that have led to the current problems?

Priority Sites

There is a window of opportunity for there to be a focus on priority sites to achieve vision.

How do we unlock development? The situation is very different from area to area; responses need to be tailored to specific areas. Big schemes are not the only solution to keep things ticking over; smaller sites can also be brought forward.

It was suggested that there has been too much of a focus on housing in the delivery of regeneration. Regeneration activity needs to be relooked at – it used to be done without housing.

There needs to be a more flexible approach to retail areas, to enable high streets not to become rundown, for example allowing community uses in retail units, at least in the short term.

3 What mechanisms can and should local planning authorities put in place to facilitate development and recovery?

In the past LPAs have failed to be able to react to short term problems; they have focused on the long term. Do they have the facility to react in the short term? It is difficult for local authorities to be proactive given the democratic process.

It was felt that there is a lack of Assembly Government guidance to local authorities on how to handle the current problems. The Assembly could help by changing law and / or policy where they are able; although it is acknowledged that it is also difficult to change policy quickly.

There is an opportunity now; given the time available during the slow down to do things and work together in more detail. LPAs should take the initiative to speak with developers about key sites. This probably needs to be a top down approach within the authority.

Internal collaboration, from the Chief Executive down needs to take place; this is not just for the LPA, but the whole authority. Planning has a key role and this needs to be demonstrated to Chief Executives so that they can work positively, particularly in the short term. It was suggested that team structures within LPAs should be reinforced with the integration of planning skills – policy, strategy and delivery.

If applications are down, should LPAs be reducing the numbers of planners? – There is an opportunity here to take the pressure off planners and provide more time to consider proposals; it gives them the opportunity to be more proactive. Perhaps the application levels are now at a more realistic level than before.

A standard condition on commencement time for applications is not always appropriate; will developers end up sitting on permissions? The Act enables longer permissions; they do not have to be five years, this could be a way of encouraging long term planning.

There is a continual challenge on what is the minimum information required for applications. This has impacts on the costs of submitting applications. There needs to be clear and available advice on what is needed.

Meaningful pre-application discussions are required; they are generally not taking place due to a lack of trust.

S106 / Planning Agreements

Do S106 agreements stifle developments? Local authorities should not lose out from the contributions – S106 agreements are about off-setting developments, not about money grabbing. At the moment it has become an internal local authority ‘fight’ for money through S106 – internal departments need to come together and work collaboratively. There needs to be a coordination of the approach within LPAs.

There is currently a focus on renegotiating permissions, but this process needs to be careful and mindful of the long term impact of developments. Agreements do need a reason and there needs to be an understanding of the financial resources available.

There is a window of opportunity to redress things, but there will need to be a payback / clawback in the future when things have picked up. There needs to be clarity on S106; it is not believed that S106 is the real problem. There needs to be a recognition that S106 is to redress the results of the development; there needs to be an education process of what it is its purpose for developers and elected members. It was questioned whether it is really the planning system deterring schemes coming forward; there are probably other factors.

Market value schemes work well; a sliding scale in S106 i.e. when market is good, more affordable houses and vice versa. LPAs need to be more pragmatic, with support from Assembly guidance. Could a sliding scale of affordable housing be realistic: Developer loses money on affordable units; could the Assembly change the percentage which RSLs buy? Is it just the affordable housing element of S106 which needs reviewing? Rigid targets should be replaced by bespoke solutions for S106.

4 What role can the Welsh Assembly Government play in facilitating development at this time of recession?

This issue is not just about the Assembly Government – it is also their wider relations.

Compulsory Purchase Orders (CPOs) are not used very much, they have had a bad press and it can be a complicated process; there is an opportunity to use them to facilitate development. There needs to be pump priming to kick start development.

There is a need to look at the whole package including facilities and amenities for new homes. Recovery will not simply happen by allowing developers to build more houses. Is it the case that a bigger pot of cash is needed to encourage developers to implement permissions? Possibly by grant-aiding sustainable homes, pump priming and tax breaks?

The Assembly is a land owner and should exploit this position; Assembly Government land ownership should be at the forefront. Every local authority area has an Assembly owned site; these need to be considered in terms of the role they could play in bringing forward development. The public sector should be returning to land assembly. There should be pro-active Assembly guidance on how to approach this.

The Assembly needs to take a lead in pulling sites together and development frameworks need to be produced for individual sites.

Was it right to get rid of the WDA? – The expertise has now been lost; many of the individuals have moved on.

Best value regulations prevent land being provided 'packaged'.

The Assembly should provide Supplementary Planning Guidance (SPG), rather than wait for LPAs to produce the documents.

There needs to be a message of confidence from the Minister and the Assembly Government. The message should identify and explain what the implications are of doing nothing and show that there is a window of opportunity and provide guidance on how to go forward.

There needs to be a new norm that addresses development economics; there needs to be good places. It is necessary to demonstrate if a site is viable through infrastructure planning work. This should be done now, however the situation develops. The Assembly can assist on transparency of what funding is available and what can be done.

The Assembly sets the policy agenda, but how can this be achieved in the current economic climate? The Assembly needs to apply pressure to achieve its policies.

5 How can we promote development given the economic slowdown and given the aspirations for planning to deliver on key policy initiatives on affordable housing, sustainability and planning obligations? How do we balance these conflicting requirements?

There is now an opportunity to change things for the better. Although how do you predict what will happen next; business as usual – but what will be usual?

Planning needs to be recognised as a facilitator, not as a regulator. Planning needs to take a strategic approach, address the geography of need, promote the use of renewables and identify where employment is coming from.

There needs to be a clear goal and direction for the community and private sector. Local authorities need to be strategic. LDPs need to concentrate on bringing forward policies for areas. Clear goals are important. Communities need to buy in, need to take account of local authority priorities and change the image of place.

The third sector is also important. They help with identifying / solving social problems, as well as economic and environmental issues.

Chartered Planners have a duty to equality, so what does the current economic agenda mean for equality? This is an issue which must not be undermined.

Promote engagement between funders, the Assembly and local authority; there needs to be clear dialogue. Convergence Funds should be focussed on key projects. Lenders need to require BREEAM Excellent [and Code level 5 or 6 on housing] on schemes.

It is important that good design incorporating sustainability is not forgotten. The bigger picture must be retained.

Landscape value and green and blue infrastructure should be at the heart of regeneration. This helps promote the aesthetic value and good health; this is all central to good place making.

Housing

Are the targets correct for affordable housing? LDPs need to recalibrate plans and use pragmatism. Plans are very important, but must be applied with pragmatism. There should not be a focus on numbers – the focus needs to be on what is achievable.

The stigma attached to affordable housing needs to be addressed; for many it is for young people, often professionals, that are unable to start on the housing ladder; the image of affordable housing being only about ‘problem’ families needs to be addressed, to encourage more of a community acceptance for this type of housing. Consideration should also be given to a more formalised private rented sector, such as that which operates successfully in parts of the Continent.

In terms of the number of empty houses – could the Assembly buy or fund social landlords to buy unoccupied new houses for affordable housing? Whilst they are probably not Code level 3, which is the current priority? All opportunities for authorities to utilise vacant housing should be highlighted, to reach affordable housing targets.

Exception Sites for affordable housing are few and far between and the process is complex. Developing remote / expanding rural villages goes against the grain in terms of sustainability.

6 What options are there for streamlining the Planning system, given the Minister for Environment, Sustainability and Housing’s recent announcement on the need to streamline the system?

‘Proportionate’ may be a better phrase than ‘streamlining’.

There does not need to be a significant change; the system needs to be allowed to settle down.

There is a problem with the political element of decision making; there needs to be an increase in member training and accountability. Member training should be compulsory. The Assembly needs to lead on improving committee operations in LPAs; accompanied by better training of Chairs. It was also suggested that there should be more delegated decisions.

Pre-application procedures are needed up front; but politicians also need to be involved upfront to ensure their buy-in to the guidance and advice given. Developers should also be more proactive in commencing dialogue.

It was raised that some issues such as ecology can cause major delays; it is sometimes used as a tool to delay and disrupt the process by individuals who wish to prevent developments. However the protection of species needs to be continued through any streamlining process. CCW is working with POSW and the Assembly to improve this.

Statutory consultation deadlines need to be met; this part of the process needs to be addressed as it causes major delays.

There needs to be more consistency in the basic level of requirements for the application process. However it was also felt that the background information required is important. It would weaken the planning system if the need for it reduced. It is the consistency that needs to be improved.

Minor amendments should be allowed.

The UK is currently ranked 61st in Europe for development permits, which was felt to be a negative position.

Additional responsibility is continually added to the planning system, which slows it down.

A more pragmatic approach is needed – the system is currently hung up on specific elements; European rulings are complicating the situation.

There is anecdotal evidence of delays at certain authorities, but there is good service in other areas. There needs to be good management of the process. The standards of service across local authorities need to be reconsidered. Some authorities have had consultants in to consider their processes.

In the past staffing / capacity has been very difficult. It is important that the current economic situation does not lead to a reduction in the number of staff providing planning services.

Could there be a new form of permission – granted in principle with more issues dealt with by condition.

Different Conditions are imposed from authority to authority; the Assembly could provide more guidance on Conditions.

There needs to be a clear statement that the CIL is on hold until there is a more stable economic situation; this is needed to build confidence.

Summary Points

Cause & Implications

Over emphasis of volume development

Planning is not the cause of the recession – it has been the lack of finance and trust in the wider finance and property markets.

The value of land has been exaggerated in the past.

Development and Regeneration

These are separate entities

The needs have not changed – only finance.

The LDP process is fundamental, especially the evidence base

Whilst requirements are not bolt-ons or added extras, it needs realism

Community integration is central

The good places are still selling

Planning needs to be robust

Local Planning Authorities' Role

Planners being proactive

Temporary relaxation of S106 – reassessment at certain times / phases

S106 needs to be coordinated internally and prioritised

There generally need to be joined up working between local authority departments internally, recognising the role of planners

Have more time to do things – problem solving.

LPAs to take the initiative, chase developers – be proactive – development team approach.

Assembly Government Role

Not just about the Assembly Government but about relationships with the Assembly

Key issue is about empty homes

Land assembly / create a social land bank

Tax breaks, grant aid to encourage implementation & regeneration

Need for a message of confidence – doing nothing is not an option

Need clear goals and outcomes are needed

Attendee List

Name	Organisation
Victoria Abraham	Vale of Glamorgan
Jim Bailey	Rhondda Cynon Taff CBC
Steve Ball	Vale of Glamorgan
Julie Barratt	CIEH Wales
Tracey Brooks	Newport City Council
Ian Carter	Newport City Council
James Clemence	Cardiff Council
Chris Cox	DTZ
Jane Crofts	Vale of Glamorgan
Owen E Davies	Hyder Consulting (UK) Limited
Liz Dean	Rhondda Cynon Taff CBC
Richard Essex	RSCW
Huw Evans	Capita Symonds
James Gibson	Newport City Council
Marcus Goldsworthy	Vale of Glamorgan
Jeanie Gray	Keep Wales Tidy
John Harper	RICS
Dan Harris	Ceredigion County Council
Mark Harris	
Neil Harris	Cardiff University
James Hooker	Capita Symonds
Graham King	
Scott Larcombe	GVA Grimley
Ben Lewis	GVA Grimley
Karen Maddock Jones	Countryside Council for Wales
Cathy McLean	RICS
Annie Millen	Landscape Institute Wales
Robert Murray	Torfaen CBC
Lyn Owen	
Jeff Phillips	Welsh Assembly Government
Richard Poppleton	The Planning Inspectorate
Lesley Punter	
Robin Shepherd	Barton Willmore
Alan Southerby	Powys County Council
Rachel Stevens	Newport City Council
Keith Thomas	EDAW
Rob Thomas	Vale of Glamorgan
Roisin Willmott	RTPI Cymru