

RTPI response to DIT Freeports Consultation

July 2020

This is the RTPI's response to the 2020 Department for International Trade [consultation on Freeports](#).

Freeports are secure customs zones located at ports where business can be conducted inside a country's land border, but where different customs rules apply. Typically, goods brought into a Freeport do not attract a requirement to pay duties until they leave the Freeport and enter the domestic market – and no duty at all is payable if they are re-exported. The consultation considers the proposed Freeport policy including the objectives and ambitions for Freeports noting that the model could be used for rail, sea and airports.

The RTPI's response welcomes elements of the proposals such as the potential positive economic impacts particularly in supporting the levelling up of areas in England. We recognise that the government is enthusiastic to progress this policy and our comments are made in the spirit of recommendations to fine-tune the proposals.

We disagree with the statement that "Planning liberalisation can help bring more land forward for development, speed up the planning process and allow ports to respond more rapidly to new demands, for example by building new facilities." This statement is based on an incorrect diagnosis and an RTPI report on [Planning priorities for England](#) (April 2020) explains in detail the reasons why such as highlighting the risks of market failure from uncontrolled development evidenced in some of the shockingly poor quality housing delivered through permitted development¹.

In summary, many of the issues raised in this consultation highlight the need for a larger than local approach and broader long term strategic planning in relation to connectivity, sustainability, housing and further permitted development. Without strategic planning, these proposals risk a short term piecemeal approach that fails to achieve the desired coordinated outcomes.

About the RTPI

The RTPI champions the power of planning in creating prosperous places and vibrant communities. As learned society, we use our expertise and research to bring evidence and thought leadership to shape planning policies and thinking. As a professional body, we have over 25,000 members across all sectors, and are responsible for setting formal standards for planning practice and education.

¹ Clifford et al. (2018) [Impact of extending development rights to office-to-residential change](#). RICS

General comments

1. The proposals for Freeports provide an opportunity to deliver economic growth across the UK and to support the government's levelling up agenda. However, we would welcome clarity to avoid unintended consequences on the following matters.
2. We are concerned that the policy approach being put forward is fragmented – reflected in the reference to aligning Freeport arrangements and local planning policies. Freeports need to be part of a strategic policy framework. Enterprise Zones (EZ's) receive high levels of publicity despite only representing a very small proportion of job growth, we recommend they are used with surgical precision. There needs to be clarity about the experience of EZ's . During the second round of EZs between 2011-2017, only a fraction of the permanent job growth that was predicted was delivered, the vast majority of which were low skilled².
3. There is therefore a great danger of diversion and displacement of development, and if there is no strategic plan there is a real risk of not delivering growth in the economy but also merely redistributing development at a regional level and undermining areas of regeneration outside of the zones.
4. We have additional concerns on how the environmental and social aspects of the proposals will work in practice, the ways of working with the relevant Local Planning Authorities (LPA's) in developing the proposals and ensuring that material considerations are properly considered through the Permitted Development route. We would also welcome clarity on the "SEZ [Special Economic Zone]-style zones" the Government is considering to designate around Freeport custom zones, as these have been shown to pose challenges to sustainable development if not adequately managed³.
5. We need clarity from government on how the Local Development Orders (LDOs) will work in Practice. For example, will there will be a lead role for LPAs to deliver Freeports? We suggest that Local Authorities are well set up to deliver LDOs based on their local knowledge and experience of both local impacts and business needs. However given the loss of planning fees, alternative resources would need to be found for resourcing local authorities to produce LDOs.
6. It will be important to ensure that the number of Freeports is not excessive. Key considerations such as the visual and economic impact of a development should still be considered as part of the decision making process.
7. Many of the issues raised in this consultation highlight the need for a larger than local approach and broader long term strategic planning in relation to connectivity, sustainability, housing and further Permitted Development. Without strategic planning, these proposals risk a short term piecemeal approach that fails to achieve the desired coordinated outcomes.
8. Finally, the aim should be to avoid further complicating an already complex legal framework and ensure that Freeports are of a scale and location that truly helps transforms the regional economy.

² BBC News (2019) Enterprise zones 'failed to deliver' jobs boost in England, <https://www.bbc.co.uk/news/uk-england-48856440>

³ UN Habitat (2020) Special Economic Zones (SEZs) and Urbanization <https://unhabitat.org/special-economic-zones-sezs-and-urbanization>

Chapter 5 Planning

9. Chapter 5 of the Consultation document suggests “amending the Town and Country Planning (General Permitted Development) (England) Order 2015, as amended, to align permitted development rights for sea port operators with airport operators by allowing the use of buildings on ports for purposes connected with the operation of the port.”

10. Extending permitted development rights risks encouraging a piecemeal, short-term approach. It will be important that matters such as the visual and economic impact of a development should still be considered as part of the decision making process. A failure to address these would undermine the proposals.

11. Visual impact – Many existing ports are located in close proximity to residential developments. Therefore, the impact of operational buildings being built nearby in relation to ports, with minimal consideration for their quality or visual impact on the existing built environment could impact on a number of local residents who would have lost any opportunity to provide a meaningful consultation response in relation to a planning application.

12. Ecological impact – Although the operational buildings that would be built are likely to be of a limited scale, it is worth considering the ecological impact of additional permitted development rights in these locations. Unlike sites used for airports, sites used for ports often remain rich habitats for birds and other land and aquatic creatures that may then not be adequately protected if amendments are made to the Town and Country Planning (General Permitted Development) (England) Order 2015, as amended. To safeguard these possible concerns and encourage comprehensive planning in the form of joined up thinking reference should be considered that cross-refers to the environmental measures in the UK Marine Policy Statement⁴ which was prepared and adopted for the purposes of Section 44 of the Marine and Coastal Access Act 2009.

13. We welcome the consultation’s emphasis on not compromising environmental Considerations. The full involvement of council planning officers will be a useful contribution here. Potential developers who are often not based locally, may not have local knowledge and understanding of local habitats and wetlands at different times of the year. This is a further justification for continuing involvement of the LPA before, during and after the development of a Freeport.

Q24: Do you agree or disagree that the permitted development rights for airports and sea ports should be brought into closer alignment by allowing the use of buildings on ports for purposes connected with the operation of the port?

14. The purpose appears to be the harmonisation of the detail on “operational buildings” meaning that ports are in line with airports and rail Permitted Development.

15. If the status of proposed Freeports is to be the same for all three modes of use (rail,

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69322/pb3654-marine-policy-statement-110316.pdf

sea/river and air), it would be logical to even up the Permitted Development rights such that the sites/areas were placed on an equal footing in terms of their Permitted Development rights. Otherwise, one mode in one part of the country with particular Permitted Development rights due to current legislation may be put at a disadvantage if existing Permitted Development were being imposed.

16. If amendments are made to the Town and Country Planning (General Permitted Development) (England) Order 2015, prior approval should be sought for all operational buildings proposed in relation to ports. This would allow LPAs to have a sense of control and safeguard the development of ports in line with Central Government initiatives for local and emerging 'regional' plans for economic diversity and growth. Additionally, as in the case of Part 8 Class F (development at an airport) restrictions to the scale and height of the building could be considered as a means of safeguarding views from areas of acknowledged importance such as AONBs.

Q25: Are there suitable incentives in place that encourage the use of Local Development Orders by local authorities to support faster development? Please explain your answer. If your answer is 'no', what more could be done to encourage their use?

17. No. The difficulty is that non fee activities in LPA's receive no funding.

Q25.ii: If not, what more could be done to encourage their use?

18. Potential incentives such as the Planning Delivery Fund could be helpful and provide up front funding to introduce LDOs.

19. The government should review the number of stages and amount of supporting evidence required to support designation in order to reduce LDO preparation and designation time.

Q26: Would it be appropriate or inappropriate to consider amending the National Policy Statement for Ports to allow for changes to planning process(es) for significant port development? If your answer is 'appropriate', what specific element(s) of the process or document could this focus on, and what potential benefits could this unlock?

20. Inappropriate.

Q26.ii: If your answer is 'inappropriate', please explain why.

21. If Freeports are to become a new Planning designation operating over around 10 sites nationally, we suggest that due to their powers and responsibilities revised National Planning guidance for all three modes should be written based on the secondary legislation referred to in the consultation document. This would ensure that Freeports are treated with some consistency in terms of the Planning system and processes.

Q27: Please tell us about any additional planning freedoms related to planning powers and/or increasing the efficiency and effectiveness of planning that you think could be used to support development in Freeports.

22. There is very limited information about the potential types of freedoms and no reference at all to national planning guidance or the NPPF. We are concerned about this.

23. We do not support the proposals for additional planning freedoms as the document itself does not seek to address all three factors of sustainable development set out in national Planning guidance/NPPF. The social and environmental factors are given very limited consideration and if further planning freedoms are introduced, it is likely in our view this would reduce further in favour of economic factors to which priority is being given in these proposals. Given the importance of climate change in respect of current and future generations, it is most regrettable that the document takes no account of this factor in the planning of Freeports.

24. Throughout the last decade planning policy has focused on three aspects to sustainable development which are economic, social and environmental. Whilst we accept that the majority focus of such a consultation would be on the economic aspects of development, we have a concern that the social and environmental aspects of the development of Freeports are not adequately addressed in the document.

25. For example, more consideration could be given to the beneficial and adverse impacts on local communities and the natural and built environment. It is also suggested in the consultation that an impact assessment would be prepared prior to the laying of secondary legislation to introduce a new permitted development right. Such an impact assessment must have regard to social and environmental factors as part of the introduction of new legislation to facilitate the development of Freeports.

26. We encourage the Government to adopt a joined up approach to developing this proposal to ensure that the opportunities are secured and delays in the planning process are minimised. This would increase the prospect that time and resources in the public and private sector be deployed meaningfully. The aim should be to avoid further complicating an already complex legal framework and ensure that the proposals foster economic growth and safeguard the environmental for the benefit of wider society.

Regulatory impacts

Q28: Please provide any feedback you have on the regulatory impact of the planning measures set out in this consultation. For example, do you have any information on the costs and benefits to business of these measures?

27. The current document ignores climate change and biodiversity net gain, which are two examples of existing legal requirements for all planned development. These and other costs should be taken into account in planning for Freeports.

Chapter 6 Regeneration

Q29: What infrastructure could encourage increased business activity in a Freeport? Please support your response with evidence where possible.

28. Infrastructure is already set out in the NPPF 2019 and includes the following: for transport; telecommunications; security; waste management; water supply; wastewater, flood risk and coastal change management; provision of minerals and energy (including heat); community facilities (such as health, education and cultural infrastructure); conservation and enhancement

of the natural, built and historic environment, including landscapes and green infrastructure, and; planning measures to address climate change mitigation and adaptation.

29. Each Freeport would need to be assessed in terms of its location, natural and other assets, proximity to markets and many other factors as to which types of infrastructure required further investment and/or other improvement.

Q30: What infrastructure could support wider regeneration opportunities and promote job creation in the areas around a Freeport?

30. There are large differences between operational infrastructure (cranes, outbuildings, onsite container storage) and “enterprise zone” type developments (misc. B-use buildings).

Q31: Please provide any additional feedback you have on the issue of infrastructure for Freeports not specifically addressed by any of the questions in this section.

31. All types of infrastructure are distributed unevenly across the regions of England. As one of the main forms of infrastructure, transport is a major example of unequal levels of national investment in infrastructure. The London area receives around 3 times as much annual funding per head on transport compared to the three northern regions of England. This discrepancy will require amendment if any Freeports in the north of England are to be successful.

32. The Consultation suggests the scope for potential locations is very wide in stating that: “Freeport’s sites could be located inland as well as adjacent to ports, increasing the range of options for sites and potentially allowing existing manufacturing plants to be designated.”

33. This statement could potentially lead to a range of outcomes noting the reference to the Port Connectivity Study. It will be important that any new policy needs to have very specific spatial and linkage criteria if Freeport’s include remote sites or transport infrastructure - particularly in relation to changes to the General Permitted Development Order and housing.

Housing

Q35: What are the main housing needs of the local economies which surround ports (suitable for Freeport status), both now and in the future?

34. This matter will vary substantially across the country. There are many factors influencing the potential housing needs, some financial, planning factors and many other variables. There is a national Planning methodology, which sets out how housing and economic needs should be addressed by LPAs set out for England by MHCLG. We are surprised the consultation document does not reference this existing national Planning guidance⁵.

⁵ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

36: How can local areas align their housing interventions with the wider regeneration agenda to make Freeports a success?

See Q35.

Q37: What role could zonal planning, including the use of Local Development Orders, play in delivering the wider regeneration of local areas around Freeports?

35. We would welcome clarification on the term 'around Freeports'. Ports may have different LPAs on different shores of the bay/estuary.

36. The main factor determining the success of a Freeport are the trade and tax deals, not housing interventions. The enterprise zones do not encompass wider areas and even though many enterprise zones are in very high demand areas we understand that there has been no pressing need to include housing delivery within those zones.

37. Any designation of Freeport's should require a public transport strategy for port workers and customs inspectors. This could be funded by the port operator (sharing the duty-free uplift) or via central government. This will aid in carbon reduction, will minimise air quality impacts, and will help integrate the port with the surrounding area.