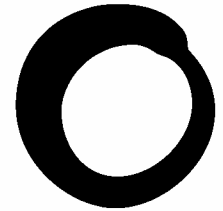


# MP Briefing



**Friends of  
the Earth**

## Planning shake-up

### The Treasury's agenda for our local communities

The Treasury is driving forward a series of Government initiatives that will dramatically change land-use planning. Friends of the Earth fears these will lead to a significant attack on people's rights and the environment, without improving prosperity for communities. By the time of Gordon Brown's Pre-Budget report in late autumn 2006, people could be facing dramatic cuts in their democratic rights to shape local development decisions.

#### What is at stake?

- There could be a new wave of out-of-town retail development allowing the most powerful retailers to increase their domination of our towns, cities and villages. People could lose the choice of shopping at local, independent, town centre retailers.
- People could lose their rights to debate locally the pros and cons of major energy projects including nuclear power stations. The democratic right to be heard at a public inquiry on issues such as the need for the project and its health impacts is very likely to be removed.
- New rules for major transport infrastructure – like new roads and bigger airports – will be proposed. Important decisions could be rushed through in an attempt to increase productivity. This would work against efforts to meet climate change targets because these kinds of development lock us in to increased carbon emissions.
- Protected wildlife sites could be sacrificed for new development.

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Why now?

There are four major Government initiatives underway now that are expected to make recommendations about land-use planning. More detailed information on these four initiatives is available from Friends of the Earth.

1. The **Barker Review** threatens to remove the 'town centres first' policy for retail which is keeping our town centres vibrant by controlling out-of-town development.<sup>1</sup> It also threatens to remove protection for some of the UK's best wildlife sites, stating that: "The UK has around double the OECD average of the proportion of protected land".<sup>2</sup>
2. The **Eddington Transport Study** asks how investment in major transport infrastructure can increase productivity and economic growth. This is the wrong question, so the answer risks prioritising developments which will increase growth fastest, even if they also increase environmental and social impacts such as climate change.
3. The **Energy Review** promises to introduce "fundamental change to the planning system in England and Wales for major energy projects".<sup>3</sup> It wants to remove the right for people's views to be heard at a public inquiry on important issues such as the need for a project, sites for nuclear new build, health and safety issues and impacts on the environment of energy projects. It proposes more use of informal hearings which risk marginalising the views of local people.
4. The **Competition Commission inquiry into the groceries market** could back the Treasury's plans by recommending that the Government scraps its 'town centres first' policy to allow a free-for-all for the retail giants to build new out-of-town stores. Instead of increasing choice and competition, this would be the final straw for many local, independent retailers.

Why are these dramatic changes on the cards?

The Treasury believes the planning system should give much greater prominence to economic concerns. It claims the system isn't fit to cope with the new pressures of globalisation and sees the planning system as too complex, with decisions taking too long. As a result, it claims, businesses are put off from investing and competing in the UK.

This view reveals that the Treasury fundamentally misunderstands the purpose of the planning system, which is to integrate economic, social and environmental concerns to deliver development that is good for our communities.

Not all of the current initiatives are driven by the Treasury, but the Chancellor has made clear his interest in the outcomes of all of them. In his speech to the CBI on 5 June 2006, the Chancellor said of the planning system: "we have already legislated to make major changes. But in frankness, I believe we have much more to do. We must make our system quicker, more flexible and more responsive." Later that month in his Mansion House speech he confirmed: "In the next year we will also make the difficult choices - and seek to build a national consensus on - the long term reforms necessary in infrastructure, transport, planning, energy and welfare."

Is the planning system to blame?

There is very little evidence that planning is to blame for an unproductive economy, for stifling competition or for failing to deliver high quality development. Rather, an ODPM select committee found in 2003 that: "Our evidence shows that planning is not a significant factor in determining productivity, even in the retail sector."<sup>4</sup>

The Barker interim report asserts that planning prevents investment but contains virtually no hard, quantitative evidence of this, relying on surveys of business perceptions to suggest that the planning system takes too long and is too complex. In the same vein, the Energy Review states that "planning

delays can disproportionately affect low carbon investments such as onshore wind and nuclear power” without giving any evidence.<sup>5</sup>

On the contrary, research cited in the Barker interim report indicates that it is difficult to estimate the nature and scale of the impact of planning on the economy.<sup>6</sup>

The Barker report also accepts that it’s hard to distinguish over-long decision making from the proper time needed to consider planning applications.<sup>7</sup> Even the CBI acknowledges that “there will always be some element of time to determine planning applications”.<sup>8</sup>

Radical changes to the planning system must not be imposed on the basis of such inconclusive evidence. Kate Barker seems to agree. In her Foreword she makes a plea for not over-stating the case that there are hidden costs to the planning system and she suggests that there is “little appetite for a radical re-think of the plan-making process”. The question is, does the Treasury agree with her?

Why is planning important?

Regulations have a vital role to play in protecting our environment and communities. The Barker interim report acknowledges that “an unregulated market for development is undesirable” and shows how planning regulations can create socially fair outcomes and provide public goods for everyone like good transport and a better natural environment.<sup>9</sup>

The Prime Minister agrees that regulation is important. In his speech on public health in July 2006 he said that people should expect more active Government in some areas: “public health is one... Climate change is another.”

The planning system is an important regulation. It plays a crucial role in delivering economic, social and environmental goals. It protects the public interest by delivering ‘public goods’ like a clean and healthy environment. It has the power to bring about a just and stable society by eliminating environmental inequalities. It is also critical for democracy because it places local decision making by elected representatives at the heart of the process. When people participate, the quality and efficiency of decision making is improved and using local knowledge helps avoid unnecessary and costly conflict.

At the same time, the planning system plays three important roles for the economy: it corrects market failures; it provides certainty for business; and it protects environmental and social capital, which is good for the economy in the long run.

Rather than economic concerns being considered too little, business interests are by far the most dominant player in the planning process. Businesses have an institutionalised advantage through rights of redress (the appeal system) which are not granted to any other sector. Research by Friends of the Earth demonstrates that the private sector plays a dominant role in the preparation of regional and local plans and in challenging decisions through Judicial Review.<sup>10</sup> Any further erosion of the community’s role will inflame this inequality.

What Friends of the Earth wants to see

Instead of attempting to deregulate land use planning, the Government should review how the planning system can more effectively support economic, social and environmental goals together. Friends of the Earth wants to see concrete proposals for action emerge from the current Government initiatives on planning:

- People’s rights to have a say in planning decisions must be protected. Local people have a valuable contribution to make in deciding what development happens in their local area. The poorest communities should not be hit hardest by the worst environmental problems.
- Vibrant town centres and diverse local shopping areas must be protected and promoted to boost local economies and ensure that everyone, whatever their income, has a proper shopping choice. Car-dependent shopping should be discouraged to reduce carbon emissions from transport.

- Green spaces must be protected to conserve valuable wildlife and habitats. The UK must continue to act within European laws such as the Habitats Directive.
- The planning system should be harnessed to reduce the impacts of climate change. The effect of new transport infrastructure on climate change should be considered from the outset, with the goal of increasing productivity while reducing carbon emissions.
- The Government must encourage quality economic growth that is good for people and the environment, not growth at all costs.
- Regulations like the planning system must be safeguarded. Regulations protect our local communities and the environment while providing certainty for businesses.

### Take action

Friends of the Earth urges all concerned MPs to take action over the summer and autumn to ensure that the Treasury's dramatic plans for our local communities are held up to proper scrutiny.

1. Write to the Chancellor to emphasise the importance of land use planning regulations that deliver good results for communities and the environment as well as for prosperity.
2. Attend Paul Truswell MP's adjournment debate on the Barker review and planning on Monday 16 October.
3. Sign Early Day Motion 2618 "Community Involvement in Planning" which calls on the Government to reinforce its commitment to promote proper democratic accountability and active local community participation as a means of delivering genuinely sustainable development.
4. Contact the local press so that more people become aware of how their rights are under threat.
5. Respond to the formal consultations:
  - The Barker review team are accepting written responses to the interim report until 19 September. Email: [barkerreview@hm-treasury.gov.uk](mailto:barkerreview@hm-treasury.gov.uk)
  - Responses to the Framework for new nuclear build can be made to the DTI until 31 October. Email: [nuclearpolicyframework@dti.gsi.gov.uk](mailto:nuclearpolicyframework@dti.gsi.gov.uk)
  - DTI's consultation on new rules for inquiries under the Electricity Act (section 36) will be launched in October. More information from: <http://www.dti.gov.uk/energy/review/>
  - The Competition Commission is accepting submissions and responses up to April 2007, with the first round for submissions ending at the end of September. Email: [Groceries@cc.gsi.gov.uk](mailto:Groceries@cc.gsi.gov.uk)

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### References

- 1 Kate Barker (2006) 'Barker Review of Land Use Planning: Interim Report', paragraphs 5.27 – 5.49
- 2 Kate Barker (2006) 'Barker Review of Land Use Planning: Interim Report', Executive Summary, paragraph 1.6
- 3 HM Government (2006) 'The Energy Challenge: Energy Review Report', paragraph 7.12
- 4 ODPM: Housing, Planning, Local Government and the Regions Committee (2003) Fourth Report: 'Planning, Competitiveness and Productivity'
- 5 HM Government (2006) 'The Energy Challenge: Energy Review Report', paragraph 7.9
- 6 Kate Barker (2006) 'Barker Review of Land Use Planning: Interim Report', box 2.2
- 7 Kate Barker (2006) 'Barker Review of Land Use Planning: Interim Report', paragraph 3.5
- 8 CBI report to the ODPM Select Committee report into Planning, Competitiveness and Productivity, 15 Nov 2002
- 9 Kate Barker (2006) 'Barker Review of Land Use Planning: Interim Report', paragraphs 1.8, 1.36
- 10 Friends of the Earth (2006) 'The second Barker review of land use planning: a response by Friends of the Earth': [http://www.foe.co.uk/resource/consultation\\_responses/barker\\_review\\_2\\_mar06.pdf](http://www.foe.co.uk/resource/consultation_responses/barker_review_2_mar06.pdf)