

PLANNING CAMPAIGN BRIEFING 9 ECONOMIC DEVELOPMENT AND TOWN CENTRES (July 2014)

1. SUMMARY

1.1. The National Planning Policy Framework (NPPF) strongly promotes new 'economic development' - comprising shops, offices, factories, warehouses and leisure and tourism activity. Local planning authorities (LPAs) have retained powers to ensure that many forms of economic development take place in town centres rather than out of town locations. However, the new national policies are less detailed than before.

1.2 This briefing considers planning issues, but funding regimes and political considerations are at least as important in determining where economic development happens. With the passing of regional structures, Local Enterprise Partnerships (LEPs, see Annex) have become increasingly influential.

2. TOP TIPS

- Engage with local plans and (i) question whether employment land allocations are realistic or in the right place; and/or (ii) ensure they support retail diversity, new town centre markets and local food production.
- Seek to engage with Local Enterprise Partnerships (LEPs), challenging them where necessary, encourage them to address rural economic needs and work with sympathetic local officers.
- Get involved in or create local groups supporting town centres.

3. LAW AND POLICY CHANGES AT A GLANCE

PLANNING CAMPAIGN BRIEFING SERIES:

1. Development Plans
2. Green Belts
3. Housing
4. Energy Infrastructure
5. Transport
6. Heritage and Design
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8. Rural Economy
9. Economic Development and Town Centres
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12. Minerals

We welcome case studies and feedback to inform future versions of these briefings.
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PRE REFORM (PPS4)	LOCALISM ACT / NPPF / PLANNING PRACTICE GUIDANCE (PPG)
Regional planning approach to economic development, seeking to prioritise deprived areas. Regional Development Agencies promote new business development in line with published strategies.	A 'predict and provide' approach through local plans; co-operation expected on strategic priorities including 'jobs needed in the area' and provision of retail/commercial development. Regional Development Agencies abolished. LEPs established with different, smaller boundaries and some area overlaps. LEPs to be involved in gathering evidence and setting strategic policies.
'Town centre first' policy, using impact assessments and health check indicators. Detailed supporting guidance.	'Town centre first' largely unchanged. Exemption made for 'small scale rural development' including offices (paras. 23-25). Impact assessment narrowed to investment and town centre vitality and viability, (para. 26). No reference to health check. PPG replaces a raft of best practice guidance.
Employment land provision using market information. Local authorities expected to review unused employment land allocations. Converting offices or shops to housing requires full planning permission.	Government designated Enterprise Zones. Greater emphasis on market signals (paras. 17, 160/1); added pressure to convert employment land allocations to other uses (22). Deregulation of conversions of offices to housing (until 2016) and shops to housing.

4. BACKGROUND

4.1 The purpose of this briefing is to assist understanding of reforms to the town and country planning system that have taken place since 2011. It outlines the main changes and the issues to be aware of (Analysis) and advises on specific campaign topics (Campaign Advice).

4.2 CPRE is keen to ensure that our precious countryside continues to be protected and valued, and to highlight significant threats to it where they arise. We will collect evidence of outcomes (good and bad), in the form of cases that illustrate the issues we highlight. We welcome public assistance with this, as well as feedback on the briefing.

5. WHAT ISSUES ARE YOU LIKELY TO FACE?

5.1 There are two elements to the planning approach to economic development. First, the background work of determining economic needs and monitoring the availability of sites and premises. Second, the identification of land to meet those needs. In examining changes in policy this briefing will look at each in turn as well as giving additional advice on recent changes to permitted change of uses.

1. Determining Economic Need

5.1.2 Planning policy has always emphasised the importance of encouraging economic development. The NPPF requires sufficient land of the right type to be available to support growth and innovation. Paras. 7 and 17 set out the role of local plan in achieving this. While it could be argued that the whole NPPF balances economic, environmental and social issues there is not the same explicit emphasis in this part of the NPPF on balancing interests and greater opportunity exists for compartmentalism.

5.1.3 One particular area of change is in relation to areas of deprivation. Para. 160 of the NPPF talks about identifying the 'Location of areas which may benefit from planned remedial action.' PPS4 included as overall aim of 'sustainable economic growth' but it was tempered with an explicit aim to reduce regional disparities which is not carried forward into the NPPF.

5.1.4 This change is significant, as is the abolition of Regional Development Agencies (RDAs). Through their investment programmes the RDAs often prioritised brownfield development which allowed for economic development to happen, but ensured appropriate location and social and environmental balance. Without their long term actions brownfield sites such as i54 in Staffordshire would not have been promoted and the investment there by Jaguar would have either not happened or gone to a competing greenfield site.

5.1.5 There remains an emphasis on innovation and emerging sectors as well as consideration of the state of existing industrial sectors. Para. 21 of NPPF places an emphasis on taking account of whether existing sectors are expanding or contracting and planning for new emerging sectors. It also encourages flexible planning to integrate residential and commercial uses. However the overall policy tends to suggest the growth priority overrides any support for detailed planning for economic development. There are some inherent contradictions in this, as individual companies

operating in the market place need certainty in terms of identified land and security for their long term property investments.

5.1.6 The use of Enterprise Zones with simplified planning powers has been carried forward and developed and a number have been approved by the current Government. Where these support urban regeneration they may have merit but other bids have included airport sites and even Green Belt areas.

5.1.7 This possible over-emphasis on economic needs may have led to the helpful clarification in the PPG that: 'Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.'

5.1.8 The PPG also sets out the broad methodology for determining future economic activity and land requirements. There is flexibility for alternative approaches but the PPG strongly recommends following the standard methodology. Furthermore the initial assessment of need is supposed to be objectively led and not influenced by constraints. The assumption is that if objective need cannot be met, whether within a local authority or through exercising its duty to cooperate with its neighbours, that will be clear.

5.1.9 This may sound straightforward, leading to a single result, but there are a number of different models of economic growth, which are each seen as objective, and all these models have to be tweaked and include subjective inputs, so it is not unusual to have several competing job creation figures at a Planning Examination posited by local authorities and developers.

Emphasis on Market Forces

5.1.10 The NPPF sets out how plans should seek objective evidence taking account of 'market signals, such as land prices' and emphasises the 'needs of the business community'. Similarly, the PPG states that LPAs should take 'full account' of market signals in relation to town centre planning. This puts much greater emphasis on market signals and business influence than before the NPPF. It should be seen in the context of references to the importance of taking account of development viability.

5.1.11 The NPPF therefore allows developers to justify schemes being delivered where market prices are highest. This 'predict and provide' approach incentivises green field development or out of town shopping on the basis that this is what the market/business requires. Moreover, Para. 21 says that 'Investment in business should not be over-burdened by the combined requirements of planning policy expectations' but there are issues about the interpretation of what constitutes over-burdening and how this should be interpreted in matters such as planning conditions.

5.1.12 There is a requirement to consider the quantitative and qualitative needs for land and floor space. On the face of it this seems reasonable. However, there is likely to continue to be a debate about what constitutes 'suitability' and how flexible developers need to be. Individual planning decisions may be important in this respect. The requirement for reviews of land available for economic development will be particularly important.

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5.1.13 The removal of the regional tier has led to large sites being promoted in a competitive way between authorities. This has led to potentially overlapping local plan allocations and planning decisions which threatens an oversupply of green field business parks. The controversial proposal for Coventry Gateway and the competing site at Peddimore in Birmingham's Green Belt are examples of this problem. One would also expect any balancing effects of the regional hierarchy on retail development to be removed with stronger centres more able to squeeze weaker ones, leading to more retail centralisation.

5.1.14 Para. 162 of NPPF states that LPAs should consider the role of and function of town centres and the capacity of existing centres. However it does not appear to extend to town centres outside their boundaries. The PPG is unhelpful in this regard. It says: 'Local Plans should contain policies to apply the sequential test to proposals for main town centre uses that may come forward outside the sites or locations allocated in the Local Plan.' There is no reference to competition with centres outside the plan area.

5.1.15 The PPG is more helpful in relation to the impact test for edge of town and out of town development. The purpose of the test as it explains: 'is to ensure that the impact over time (up to five years (ten for major schemes)) of certain out of centre and edge of centre proposals on existing town centres is not significantly adverse.' Importantly 'the impact test only applies to proposals exceeding 2,500 square metres gross of floor space unless a different locally appropriate threshold is set by the local planning authority.'

5.1.16 The PPG makes clear that: 'It is important that the impact is assessed in relation to all town centres that may be affected, which are not necessarily just those closest to the proposal and may be in neighbouring authority areas.'

Role of Local Enterprise Partnerships

5.1.17 Local Enterprise Partnerships (LEPs), unlike RDAs or Regional Assemblies, are ad hoc bodies with business leadership and local authority involvement. Their geographies vary but are generally sub-regional. Some overlap but all local authorities are members of at least one LEP.

5.1.18 LEPs do not have a specific sustainable development remit and often do not include environmental interests. They do not get significant public funding. However they played a key role in bidding for Enterprise Zones, Regional Growth Fund and City Deals, as well as, most recently set out their aims through Strategic Economic Plans (SEPs).

5.1.19 A full round of SEPs covering all of England was submitted to the Department for Business, Innovation and Skills (DBIS) at the end of March 2014, to be evaluated with regard to primarily economic criteria. This will determine among other things whether they receive funding from the Government's 'single pot' provision for LEPs. The Government has said it intends to complete this evaluation in the summer of 2014.

5.1.20 The influence that SEPs will have, therefore, depends heavily on the degree to which DBIS agrees to support the proposals within them when it approves the drafts. Some SEPs have included recommendations in relation to industrial planning, in some cases supporting specific proposals and strategic locations for major development, as well as transport schemes and

housing numbers, which are not necessarily consistent with local authority figures. Some SEPs have also identified 'risks', such as 'a lack of housing supply', which could be used as supporting evidence in planning applications/plan examinations.

5.1.21 LEPs are also a driving force on the new Local Transport Bodies and so a key influence on which large transport schemes are supported. In some cases leading members of LEP boards have development interests which they are promoting through the Planning System. So their influence can be considerable although without the accountability and openness of the regional structures and with considerable opportunity for conflicts of interest.

5.1.22 Para. 160 of the NPPF specifically requires local authorities to work with county and neighbouring authorities and with LEPs to prepare and maintain a robust evidence base to understand both existing and business needs and likely changes in the market and to address barriers to investment with business community.

5.1.23 SEPs do not have to be tested at public examination for any potentially significant environmental effects resulting from the growth and development envisaged. This is in contrast to PPS4 (EC2.3) where Regional Strategies, subject to Strategic Environmental Assessment, was required to set criteria for, or identify the general locations of strategic sites, ensuring that major greenfield sites are not released unnecessarily through competition between local authority areas. The processes for this were done with engagement from all sectors and were tested through the Regional Spatial Strategy Examination.

5.1.24 An annex to this report (below) gives further details on SEPs and public engagement. In addition, Briefing 8 of this series (on Rural Economy) outlines the role of LEPs in delivering the Rural Development Programme for England (RDPE).

2. Identification of land

Brownfield Land

5.2.1 The NPPF retains an emphasis on brownfield land, encouraging its re-use provided that is not of high environmental value. The NPPF also refers directly to 'promoting the vitality of our main urban areas'. Although there is no definition of the word 'main' in this context in the glossary, this strengthens the case for urban brownfield development as opposed to green field.

5.2.2 The NPPF encourages Local Authorities to 'consider the case for setting a locally appropriate target for the use of brownfield land.' This places the onus firmly on local authorities as to how much they want to prioritise brownfield development. It also therefore allows them to underplay it if they can argue it is locally appropriate to use green field sites to foster growth.

5.2.3 The PPG provides further advice to local authorities to reflect the desirability of developing brownfield land in Local Plans, and to work with LEPs to bring brownfield sites back into economic use. The viability advice in particular sets out the issues relating to brownfield land such as contamination and costs. The PPG also requires Local Authorities to consider how they can incentivise brownfield development. While this may be good advice it risks setting the

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bar so high for brownfield redevelopment that it becomes impossible to defend in plans against challenges by developers.

Employment Land

5.2.4 Para. 21 of the NPPF requires local authorities to 'Identify strategic sites for local and inward investment to match the strategy and meet anticipated needs during the plan period.' also 'identify priority areas for economic regeneration.' Para. 22 says they should not allocate sites with little prospect of development which is important because the total amount of employment land is in many ways less important than the availability of a variety of sites which are readily available for development (especially at short notice in response to inward investment or relocation needs).

5.2.5 In the development of its Local Plan a local authority will usually undertake an Employment Land Review, which will identify the amount of sites it has available, their quality and availability. This will underpin how much land is needed and what type, defined for example as 'good urban'. They will also take account of potential losses of industrial land (a case in point being the impact of the HS2 line through Birmingham.)

5.2.6 Local Authorities, as part of their annual monitoring, will usually update their employment land figures. This will also be used to identify sites which have little prospect of development as set out in Para. 22 of the NPPF.

5.2.7 There is a concern that a lack of realism about planned safeguarding of land for the long term or regional mediation could lead to an over or undersupply of sites and especially an oversupply of the larger strategic sites as set out above. In recent years the problem has generally been one of local authorities over-allocating employment land.

Retail Land and Town Centres

5.2.8 Para. 23 of the NPPF requires the positive promotion of competitive town centres. They are identified as the heart of community, their viability and vitality is supported and the need for a network and hierarchy of centres. The extent of town centres should be clearly defined with a diverse retail offer. There is also a useful reference in Para 23 to the individuality of character of centres and this may assist in supporting smaller independent retail forms. There is an emphasis, continued from PPS4, on retaining markets and creating new ones. There is an acknowledgement that town centres need leisure, commercial, office tourism, cultural, community and residential development. It is particularly welcome that offices which were not mentioned in the draft NPPF are included. The biggest change from PPS4 is the lack of a regionally defined network (EC3.1). There is also a loss of some of the detail on the environmental and heritage context as well the night time economy.

5.2.9 It is unclear how much the impact on town centres in other local authorities will be taken into consideration. In dealing with a network of centres it is unclear as to how and whether there should be consideration of centres beyond the local authority's boundaries, but in practice the focus is likely to be on economic catchments. There is likely to be a heavy reliance on the duty to co-operate in such matters (see Briefing 1 Development Plans).

5.2.10 The NPPF encourages the expansion of town centre if there are not sufficient sites. Again the interpretation of this may vary and will be a key issue for effective implementation. It may be particularly important where large competitive superstores want to develop at the edge of centres. There is a welcome reference to other accessible locations which ensures accessibility remains an issue even for out of town stores.

5.2.11 Para.24 continues the sequential approach and Para. 26 refers to the need for flexibility about the format of new retail developments. The test of whether 'suitable sites' are available will doubtless be debated where a developer is seeking a large multi-use site which could be split up. The policy is not applied to rural offices or small scale rural development.

5.2.12 For out of centre locally a threshold of 2,500 sq. metres (the definition in PPS4 for a supermarket or superstore) is the default for an impact assessment if a threshold is not set in the plan. This allows local authorities to set a lower threshold to give greater protection to centres but conversely they could produce a higher one which would then feed into development decisions. The assessment would need to test the impact on investment in town centres and vitality and viability and applies to retail, leisure and offices.

5.2.13 Local authorities will monitor the role and function of town centres and trends in performance and capacity for new development. This technical work will remain critical to planning decisions.

Rural Economy

5.2.14 Para.28 of the NPPF supports economic growth in rural areas and says local authorities should be positive towards new development. They should support growth and expansion of all types of business, converting existing or designing new buildings. There is support for development and diversification of agricultural and land based businesses as well as rural tourism and leisure and promotion of local services. This is a very open policy that will encourage some intrusive forms of development. For more details on this issue see Briefing 8 in this series.

Logistics Depots

5.2.15 Large logistics sites are mentioned in Para. 31 of the NPPF under transport. This appears to be seen as an area for sub-regional co-operation, but there is no real policy guidance.

5.2.16 Previously warehousing policies were often found in Regional Strategies, along with a separate policy on regional logistics sites (usually 50 ha plus) to match policies on other regional development of a similar size. This led to a regional approach which dampened the number of speculative proposals. In those regions at the centre of the country (East and West Midlands) this was particularly important.

5.2.17 Para. 31 gives rail freight interchanges as an example of cross boundary working but there is none of the detailed policies in the RSSs about ensuring such large depots were rail based and it is unclear whether such cross boundary working will engage all parties in the way the regional process did. RSS policies were repealed following the passage of the Localism Act.

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5.2.18 The NPPF only allows for the use of evidence from RSSs if it is up to date, which is increasingly unlikely to be the case (Para. 217).

Car Parking

5.2.19 PPS4 included car parking standards for economic development sites. The NPPF (para.39) is much less clear that the aim is to reduce parking and encourage sustainable transport. In particular the NPPF introduces the criteria of the 'accessibility of the development' which creates the perverse argument that that inaccessible employment, retail or leisure developments should be made acceptable by having higher parking levels.

5.2.20 Para. 40 addresses Town Centre parking. It requires them to set parking levels which do not undermine the vitality of the town centre, but has little to say about prioritising parking or reducing, for example, long stay parking. (see also Briefing 5 Transport). *Change of Use*

5.2.21 As well as the NPPF and PPG the Government has also made changes to permitted development and permitted change of uses. A full list of permitted change of uses including the changes in 2013 and 2014 can be found on the Planning Portal page relating to change of use and should be consulted by individuals considering whether they need planning permission.

5.2.22 In broad terms before the changes it was possible to change from restaurants, take aways and high street financial services to shops without planning permission. You could also change business to logistics and general industrial to business or logistics. Houses could be changed between dwelling houses and houses in multiple occupation. Importantly you needed planning permission to change any business or town centre use to a residential dwelling, except where you were adding a flat above a shop or a high street financial service establishment.

5.2.23 The first set of changes of 2013 made it easier to change the use of small agricultural buildings into various industrial uses and into hotels. It also allowed offices classed as B1 (a) to be converted to dwellings subject to prior approval and for certain business uses to be converted to a shop for up to 2 years. It also increased some of the thresholds for change of use.

5.2.24 The changes of 2014 went further allowing, for example, retail and agricultural premises to be converted to dwellings, again subject to a prior approval process.

5.2.25 The impact of these changes will vary in individual cases but CPRE has particular concerns about the loss of agricultural buildings to other, less productive uses (see Briefing 8 in this series). A flexible approach to the use of redundant shop and business units may be welcome in some centres where the level of units can no longer be justified. This should be properly managed and not jeopardise the availability of premises for town centre or local centre uses, which otherwise would need to migrate outwards to out of town locations.

6. CAMPAIGN ADVICE

6.1 General approach: The strong economic development and growth emphasis of the NPPF is not surprisingly being used to promote development in general, but particularly where developers can claim significant numbers of jobs are created, high tech economic activity is encouraged or retail spend increased.

6.2 In many cases the development proposed will be welcome, well located and properly planned. However in other cases the pro-growth emphasis of the NPPF will be misused to promote poor quality development that is not needed. This is likely to damage aspects of economic development, especially in the long term. In particular, unrestrained green field development could undermine urban regeneration sites. It will therefore be important to challenge assumptions made by the scheme promoter on the basis of:

- development will only contribute effectively to sustainable development and long term economic growth if it is in the right place and in the right form

- job growth in one sector or geographic area can often be at the expense of more sustainable job retention or growth elsewhere.

6.3 This is particularly the case in respect of town centres, where the continued threat of car based shopping, combined with poor economic conditions and the growth in internet shopping means that traditional centres will struggle to compete. Critically analyse retail impact assumptions. Challenge seductive suggestions that there can be a recovery of trade to an existing centre as a result of an out of centre development. This is likely to be an increasingly important issue, as the lack of a strategic framework encourages inter-centre competition.

6.4 Campaign to ensure that there is a realisation that a 'beggar my neighbour' approach is counterproductive because it can waste resources by diluting infrastructure investment and disadvantaging less economically favoured locations. It may also encourage unsustainable travel, albeit a case will often be made that better facilities will be provided closer to local people. Usually in the latter case other communities will suffer reduced local facilities in the longer term.

6.5 Look out for arguments coming from the local authority sector that local finances will benefit if they foster new business developments. The Government is adjusting the local government finance system to allow for greater local use of business rate income growth (called Business Rate Retention). This will create an incentive to permit developments that pay business rates. Undue influence from this source could run counter to good planning around an established hierarchy of retail and service centres and may also affect co-operation between areas.

6.6 Engage with, and try to influence, the new political/administrative structures that have been established. These will primarily be the LEPs, but arrangements for joint strategic planning and related bodies, such as Local Transport Boards, will also be important for economic development under the duty to co-operate regime. Point out any undue influence granted to the business community through LEPs and argue for a sustainable development balance and recognition of rural economic needs in policy and decision making.

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6.7 The local councillors involved in these arrangements are democratically accountable and should be prepared to consider your views. You may in particular find some local councillors are critical of bodies which are not democratically elected or accountable and have a partisan view. Ask that they report back to their council and make sure relevant questions are considered in that process.

6.8 Applicants on retail and business development try to use previous call in or appeal decisions as supporting precedents. It is therefore important to be aware of these in preparing any case, as under the old system.

6.9 Local plans: The local plan provides scope for detailing of economic development planning policies and land allocations. You should try to get some of the important detail lost from national policy and regional strategies into the local plan. Concentrate on:

- Definition and support for a clear business, retail and service centre hierarchy
- Priority for regeneration of existing centres and re use of brownfield land
- Mixed use and development in locations with good accessibility for public transport, walking and cycling
- Strong town centre first and town centre enhancement policies, including support for the small business sector and its role in the local food supply network. This should include active strategies to promote centres and facilitate their future regeneration. There is a useful reference to the role of street markets, which is important to CPRE and local food issues - emphasise the need for local interpretation of this, particularly in improving market facilities and placing them at the heart of centres.
- Try to press for lower, local, thresholds (lower than the NPPF default of 2500 Sq. M) for detailed impact assessment of new retail proposals that affect existing centres.
- Strategic and cross boundary co-operation and linkages in sub regions

6.10 Look for and use relevant evidence sources. LPAs should be preparing employment land studies and looking at future trends and market issues. Obtain and where possible comment on these.

6.11 Town and local centre campaigns: Town and local centres are still threatened by retail concentration and the competitive advantages that off and out of centre development currently has. Threats to the business vitality of town centres often generate issue specific concerns and campaigning. Support these campaigns and try to build in a wider planning perspective.

6.12 Local food: CPRE has undertaken research and campaigned on the importance of small food production, processing and retail business networks in retaining the diversity, character and individuality of town centres, helping the viability of small and medium sized farmers and sustaining rural land management, landscapes and communities. This is very relevant to campaigns to ensure the planning system is working to protect smaller town centres and their premises/retail diversity.

6.13 A range of resources to help you plan an effective campaign, communicate your message, and gather people to your cause can be found on Planning Help: <http://www.planninghelp.org.uk/improve-where-you-live/campaign-tips>

7. FURTHER INFORMATION

CPRE Resources:

www.planninghelp.org.uk

How to Respond to Planning Applications, September 2011.

How to Shape Where You Live: a guide to neighbourhood planning, January 2012.

Planning Explained, December 2011.

ECONOMIC COMPETITIVENESS: YOU WIN SOME, YOU LOSE MORE: A campaigner's guide to the language of economic competitiveness, the concepts and assumptions that lie behind it, and what they really mean
June 2006

LOCAL ENTERPRISE PARTNERSHIPS: Will they serve local communities and promote sustainable development, Nov 2011

CPRE, *From field to fork: Valuing England's local food webs* (2012) and a range of From field to fork reports from survey locations across England; see <http://www.cpre.org.uk/what-we-do/farming-and-food/local-foods>

Former Government guidance:

Much former guidance has been largely replaced by the PPG, but the detail within some documents may often still be relevant or useful. The documents that are likely to be most relevant are set out below.

Employment Land Reviews: Guidance Note Dec 04. Provides planning authorities with effective tools with which to assess the demand for and supply of land for employment.

Planning for Town Centres: Practice guidance on need, impact and the sequential approach Dec 09. Assists with the interpretation of town centre policies

Case Studies:

Case studies relevant to the briefings and to future national campaigning will be stored on our website: www.cpre.org.uk/what-we-do/housing-and-planning/planning

Annex: Local Enterprise Partnerships

Introduction

Local Enterprise Partnerships (LEPs) were set up by the Government in the wake of the decision to abolish regional agencies. They came into being in 2011 as voluntary partnerships between local authorities and businesses to help determine local economic priorities and lead economic growth and job creation within their local area. They also carry out some of the functions previously carried out by the Regional Development Agencies which were abolished in March 2012.

In November 2011 CPRE published an initial report on LEPs (see Further Information within the main briefing). While this remains helpful, the LEPs have developed considerably since then.

Set Up

The creation of local enterprise partnerships was first announced as part of the Jun 2010 United Kingdom Budget along with the abolition of Regional Development Agencies.

On 29 June 2010 a letter was sent from the Department for Communities and Local Government and the Department for Business, Innovation and Skills to local authority and business leaders, inviting proposals to replace regional development agencies in their areas by 6 September 2010.

On 7 September 2010, details were released of 56 proposals for local enterprise partnerships that had been received.

On 6 October 2010, during the Conservative Party Conference, it was revealed that 22 had been given the provisional 'green light' to proceed and others may later be accepted with amendments. 24 bids were announced as successful on 28 October 2010. A bid by Peel Holdings covering Merseyside and Greater Manchester was withdrawn due to a lack of local authority support and a significant number of proposals were rejected.

There are now 39 LEPs in operation. Initially they were largely self-funding, but since 2012 the Government has given some support to their functions (£250 million pa)

Local Enterprise Partnership areas are allowed to overlap so a local authority is permitted to be part of more than one local enterprise partnership. LEPs do not have the same institutional requirements as RDAs or Regional Assemblies, so are not specifically tasked to pursue sustainable development. They are also not subject to Freedom of Information requests, although their constituent Local Authorities will be.

As part of the 'Localism' process DEFRA also set up Rural and Farming Networks. Although the Geographies of these do not coincide with LEPs, in some cases they are becoming advisors to the LEPs on rural issues. The Environment White Paper also set up voluntary Local Nature Partnerships (LNPs) which are supposed to liaise with LEPs.

Role

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The Local Growth White Papers set out the diverse roles the LEPs can play depending on their local priorities. According to BIS: ‘these can include ensuring that planning and infrastructure investment support business needs, and working with Government to support enterprise, innovation, global trade and inward investment. By combining strong business leadership with groups of local authorities whose planning, regulatory and public realm roles are critical to growth, these bodies will be able to bring an integrated approach across real economic geographies. This will be a major step forward in fostering a strong environment for business growth.’

To date LEPs have played a particular key role in:

- Regional Growth Fund Applications
- Bids for Enterprise Zones
- Preparing City Deals

In many cases these have been uncontroversial but they have included proposals which impact on the green belt, encourage green field development and support road building around airports. In the case of Coventry Gateway in the Green Belt, the promoter was also Chair of the Local Enterprise Partnership. The scheme was called in by Government for a Public Inquiry which took place in Spring 2014.

In April 2012 the Government launched a consultation on devolving Major Transport Schemes (usually over £5 million) to Local Transport Boards. The resulting proposals in August 2012 gave LEPs a particularly prominent role on those bodies.

In addressing what LEPs consider to be barriers to growth many have developed Planning Charters which seek to improve the service local authorities provide to business. These often include practical issues like ensuring applications are dealt with in a timely fashion and by one person but are also often couched in terms of a positive approach to development which echoes the ethos of the NPPF.

The Greater Birmingham LEP has developed a Spatial Framework which is a non-statutory document setting out a plan for the sub-region and largely reflecting what is in local plans. A similar approach is also being taken by Manchester LEP. The extent to which in the longer term these will shape rather than just reflecting policies is still unclear.

The role of LEPs was further strengthened by the recommendations of Lord Heseltine’s independent report, ‘No Stone Unturned’ (Oct 2012) commissioned by BIS which advocated devolution of significant Whitehall Departmental funds to LEPs. In the event this was watered down from early figures of £60-£70 billion to £2 billion per annum, over half from the Department of Transport, with a further £400m from the New Homes Bonus.

Following this LEPs were required to produce a Strategic Economic Plan by the end of March 2014 which set out a vision for the economy in their area with specific funding bids. Again these contain many non-controversial aspects but they often include specific transport proposals, support for industrial sites and in some cases housing numbers. The risks they identify, such as ‘lack of housing delivery’ may also influence planning.

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Some of these SEPs were consulted on but it was not required so many were planned behind closed doors and heavily influenced by LEP working parties. This has led in some cases to a bias towards road building and support for controversial projects such as HS2.

SEPs also contain aspirational job creation figures. These can be used by developers to argue the case for higher population migration figures feeding into high housing numbers (although with each SEP competing for these high job creation figures it is hard to see how they are all right.) Scepticism about these figures is supported by comments of the Inspector at the South Worcestershire in his interim letter to participants:

‘CE [Cambridge Econometrics] have also developed a *Smart Efficiency and Growth Scenario* which has been informing the Worcestershire Local Economic Partnership [LEP]’s Strategic Economic Plan and Local Growth Deal. At the hearing session I was told that it had not been published in its final form. However, I understand that it envisages employment growth of some 25,000 jobs in the whole of Worcestershire between 2013 and 2025. I have no figures for the distribution of that growth across the districts, and moreover it appears that the level of growth envisaged is dependent, at least in part, on the success of a bid for substantial Government financial support. These various uncertainties mean that the *Smart Efficiency and Growth Scenario* does not currently provide a firm basis on which to project future housing need in South Worcestershire.’

Government is aiming to respond to the SEPs in July 2014, but the financial demands added together are way beyond the funding available (Birmingham has identified £800m of transport schemes) so many will be disappointed and may become disillusioned with the amount of time they spent on the process.

The NPPF requires local authorities to involve LEPs in developing their Local Plans. There are two specific references. Para 160 requires them to ‘work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market’. Para 180 says ‘Local planning authorities should work collaboratively on strategic planning priorities to enable delivery of sustainable development in consultation with LEPs and LNP’s.’

LEPs can also lend specific support for proposals. This can be controversial. For example, proposals for a massive logistics and business park called Coventry Gateway next to Coventry Airport in the Green Belt are supported by the Coventry and Warwickshire LEP. Their chairman was until recently the promoter of the scheme. The scheme has been called in and an Inquiry closed in May 2014,

The Government has made it clear that it would like LEPs to have more formal powers. Annual meetings of the LEP network are often attended by Government Ministers (five at the first) who are keen to encourage the development of LEPs. So it is likely that further powers will be devolved to LEP areas.

The Labour Party has also said it would like to devolve powers locally and that it would continue with LEPs after the 2015 election, although it has called for more accountability, including access from the Third Sector, although not specifically environmental interests.

At the same time, it is important to stress that business leaders on LEPs are gaining access to politicians at a local and national level. This informal lobbying access may be as important as the specific powers given to them.

Engagement

The Government adopted a light touch approach to the set-up of LEPs and their geographies. Bids were invited from the business sector working with local authorities. The only requirements are that the chair is a business leader and that the board includes both private sector and public sector representation. The process for board selection is largely determined by the LEPs themselves and may appear opaque to those outside.

Most LEP boards include a representative from Higher Education and the business representatives often have responsibility for specific sectors. There may include someone with environmental or rural responsibilities. There is no requirement to engage with the third sector or more specifically social and environmental organisations. There have also been concerns about how well small business is represented.

Most LEPs have set up sub-groups including skills, transport and planning. Some have rural sub-groups but often rely on Rural and Farming Networks. Links to Local Nature Partnerships vary. This is partly because the Geography's do not overlap, partly because of the lack of progress/funding for some LEPs and partly because LNPs may well be focused on other issues, such as Nature Improvement Areas.

Where there is engagement it varies with some LNPs concerned specifically about biodiversity issues and some keen to secure funding. Their engagement with wider sustainability issues may vary according to the priorities and skills of their members. So, while LEPs should consult with LNPs, it should not be seen as a substitute for wider engagement with sustainability or countryside organisations.

Membership of the sub-groups is likely to be business based and unlikely to involve other interests. However, engagement varies from LEP to LEP and particularly between the largely urban and largely rural LEPs. LEP meetings are often behind closed doors, although there may be external events. How well these are advertised varies but they give an opportunity to gauge what LEPs may be doing.

Most LEPs have websites although the quality of the information and how up to date it is varies. The SEPs can be found on individual websites.

And while Government funding should ensure a more consistent quality of LEP management, providing dedicated staff rather than staff who are adding it on to another local authority or private sector job, it is not clear that local groups, such as CPRE Branches, are seeing a consistent improvement. We would still like to see improved information and engagement practices.