Annual Planning Survey 2016

A blueprint for the future of planning in England

October 2016

GL Hearn
Part of Capita Real Estate

BPF

FOREWORD

Melanie Leech, CEO
British Property Federation

The planning system has undergone significant change since the inception of the first Annual Planning Survey in 2012, with initiatives such as the National Planning Policy Framework (NPPF), Neighbourhood Plans and the Community Infrastructure Levy (CIL) all heralding a new approach to planning.

Now in its 5th year, the Annual Planning Survey, conceived jointly by the British Property Federation and GL Hearn, aims to capture the feelings of Local Planning Authorities (LPAs), applicants and their advisors in relation to these and new and emerging policies, whilst also understanding what challenges the industry is still facing. The survey is once again supported by a review of major application decisions across a range of LPAs, and we are delighted that this year the review has widened in scope to also include the Northern Powerhouse regions and Scotland.

Last year, the 2015 report issued a stark warning that significant investment would be required if we were to see any improvement in how the current planning system operates. Whilst the investment gap remains, Government has taken small steps in the right direction through the introduction of a number of initiatives in the Housing and Planning Act 2016. We should all take heart therefore that, despite a continued lack of the necessary investment, the planning system has held its own and remains ready and positive to take on the challenges that come its way.

This report provides us with greater insight into what is working for LPAs and applicants particularly around existing policies and also seeks to understand what is not working for them. This year sees an unprecedented shift in our political landscape following the UK's vote to leave the EU and the formation of a new Conservative government, which has at the top of its priorities how to deliver that vote into an effective exit strategy.

However, despite wider distractions, it is clear that the commitment to a transparent and effective planning system remains, most notably with the publication of the Neighbourhood Planning Bill. The proposals in the Bill, which seeks to strengthen local level decision making, are good news for local authorities and their areas and should be seen as a positive step forward for the planning system. With planning and development at the core of economic growth, efforts to unlock greater investment around infrastructure remain a key area of focus for the development industry, and should also be a priority for government.

The BPF is once again delighted to be working with GL Hearn and I very much hope that the report provides the industry and government with useful insight into the issues that really lie at the heart of our planning system.

CONTENTS

THE LARGEST INDEPENDENT ASSESSMENT OF THE PLANNING SYSTEM IN THE UK*:

The findings of this report are based on the Annual Planning Survey 2016 and a review of major planning application determinations during 2015-16.

ANNUAL PLANNING SURVEY

This year a record 385 applicants & advisers and Local Planning Authority (LPA) professionals took part in the Annual Planning Survey, sharing their views on the planning system. Over the last four years, over 1,300 professionals have completed the Survey. With consistent year-on-year growth in the number of participants, the Annual Planning Survey remains the largest independent assessment of the planning system in the UK*.

MAJOR PLANNING APPLICATIONS REVIEW

An annual feature of the planning calendar since 2012, over the last 5 years we have reviewed more than 7,000 individual major planning applications.

As in previous years, this review included boroughs in Greater London, Greater Manchester and South West England (Bristol vicinity). This year, in recognition of the importance of major applications across the UK for driving economic prosperity, we have also included the North East Combined Authority Area, Liverpool City Region, West Yorkshire, Sheffield City Region and Edinburgh & Glasgow, bringing the combined number of Local Planning Authority areas monitored to 74.

*Correct to the best of our knowledge at the time of writing.

1. TAKING STOCK

In last year's report we issued a stark warning: to improve the planning system would require significant investment – and quickly. That investment hasn't materialised, so in reviewing this year's major planning applications data, it should come as no surprise to see that little change has been identified.

However, it's also reassuring to note that, whilst any significant improvement may have been lacking over the last 12 months, neither has the system become noticeably worse. To the credit of LPAs and applicants, major planning application determination numbers, approval rates and average determination times have all remained steady despite the challenging environment.

The picture we therefore encounter this year is one of a planning system poised: stable in its current (if sub-optimal) state and primed for positive action.

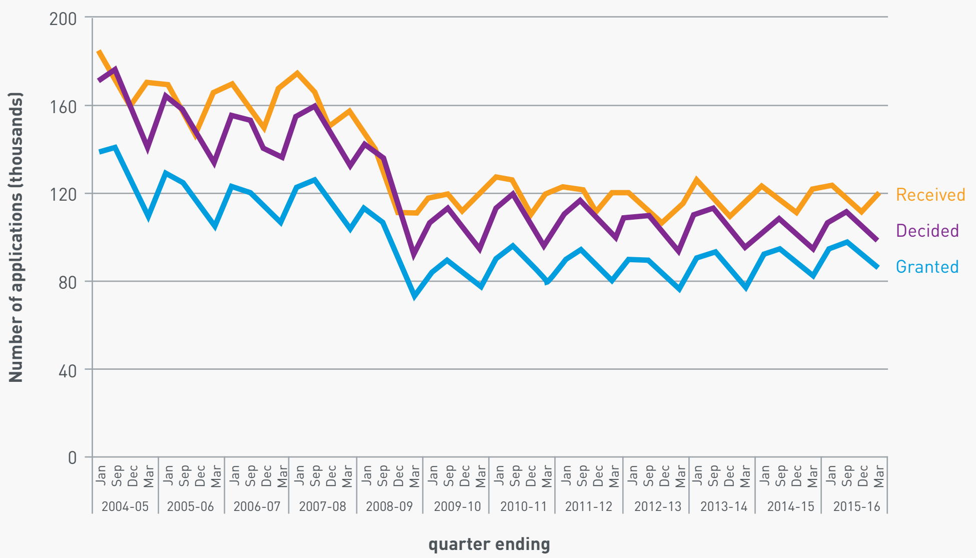
i. Steady volume of planning applications determined

Across Greater London, Greater Manchester and the South West, the number of major applications determined overall during the past financial year has dipped slightly, but not beyond what may be expected in normal annual variations.

However, it is worth noting that some of the volume may be explained by a removal of back-log from the system rather than the processing of new applications. A recent report by the Department for Communities and Local Government[1] showed a consistent gap between all planning applications received and decided for every quarter in FY2015 and FY2016, leading to growth in the back-log of all applications requiring determination.

ALL APPLICATIONS RECEIVED, DECIDED & GRANTED IN ENGLAND

(Source: Department for Communities & Local Government)



[1]https://www.gov.uk/government/statistics/planning-applications-in-england-january-to-march-2016

GREATER LONDON

In Greater London, the number of major applications determined was up 2% year-on-year (772 from 758). Half of the boroughs in Greater London (17 out of 33[2]) saw an increase in the number of major applications determined, with particularly positive growth in the south east of the capital. The boroughs of Bromley, Greenwich and Croydon all experienced a year-on-year increase of over 100% in the number of major applications determined.

In contrast, there have been big year-on-year falls in the number of major applications determined in Hackney, Redbridge, Tower Hamlets, Newham and Havering. For Hackney, Tower Hamlets and Newham this may in part be explained through the creation of the London Legacy Development Corporation (LLDC), although the number of major applications determined by the LLDC this year does not yet counteract these declines.

However, rather than just considering year-on-year changes, it is also valuable to examine how major determination numbers have changed at a borough level in Greater London over a longer period. Thanks to this study now being in its fifth year, we are able to review determination figures over a period of several years.

Whilst the number of major applications determined can vary substantially between any two given boroughs (since the study began in London we have witnessed boroughs determine as few as 2 or as many as 93 major applications in a single year), in 2012-13, Greater London overall saw a very similar number of major application determinations compared to this year (775 vs. 772).

However, the spread of applications by borough was significantly different in 2012-13 relative to this year. Comparing the results from 2012-13 against 2015-16, we see that whilst many boroughs in the central area have only seen relatively small variations in determination numbers, boroughs in the south east and far west of the capital stand out as high growth areas. This provides further evidence that, whilst there remains consistent activity in Central London, development activity is also spreading outwards.

In comparison, a north east London corridor from Hackney and Tower Hamlets up to Redbridge stands out for the opposite reason. After a surfeit of major applications at the start of the decade, determinations in these boroughs have dipped over recent years. Whether or not a future increase in applications determined by the LLDC will counteract these declines remains to be seen.

CHANGE IN ANNUAL NUMBER OF MAJOR APPLICATION DETERMINATION

numbers in Greater London boroughs

2012-13 > 2015-16

- > 50% increase
- 25%-50% increase
- small change (less than 25%)
- 25%-50% decrease
- >50% decrease

[2]Excludes LLDC where tracking data is not available

GREATER MANCHESTER

In Greater Manchester, the number of major applications determined is down 11% year-on-year (from 351 to 313). Whilst Manchester itself saw strong growth in determined applications, boroughs in the north west of the region (Bury, Bolton, Wigan) experienced sharp falls.

Similarly to Greater London, the number of major applications determined can vary substantially between any two given boroughs in Greater Manchester (since the study began we have witnessed boroughs determine as few as 7 or as many as 95 major applications in a single year).

However, comparing this year's data to 2012-13, Greater Manchester shows a very different picture to Greater London. Whilst Greater London appears to be seeing major applications moving outwards, in Greater Manchester applications appear to be centralising around Manchester, Salford and Tameside[3].

SOUTH WEST

In contrast to Greater London and Greater Manchester, where application volumes can vary dramatically between boroughs within the region, applications determined in the South West are more evenly spread (since the study began in the South West, every borough has consistently determined between 21 and 64 major applications annually).

However, all four boroughs monitored in the South West (North Somerset, Bristol City, South Gloucester and Bath) saw a significant dip in major applications being determined this year, with an overall year-on-year decline of 40% across the region.

This is the first dip in major application determinations we have seen in the South West after a flat year in 2014-15 (monitoring of the South West is now in its 3rd year). It is too early to say whether or not this will rebound in 2016-17.

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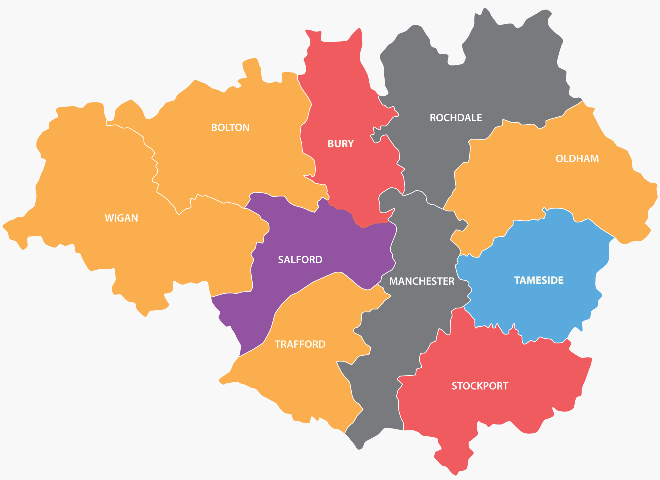


[3]Note; 2012-13 saw a significantly higher number of major application determinations in Greater Manchester than over the past year (389 vs. 313).

THE NORTHERN POWERHOUSE

This year we have monitored major planning application decisions across 27 additional boroughs compared to 2014-15, with 24 of these new boroughs in the 'Northern Powerhouse':

- In the North East combined authority area, 273 major applications were determined with Durham leading the way on 72 followed by Northumberland on 55.
- West Yorkshire determined 261 major applications with nearly 40% of these (102) in Leeds. This makes Leeds the busiest LPA for major applications being determined across any region in this year's study; Kirklees was also busy determining 60 applications.
- Liverpool (81) dominated the major application decisions across the Liverpool City Region (172 in total); whilst Sheffield (61) dominated the Sheffield City Region (142).

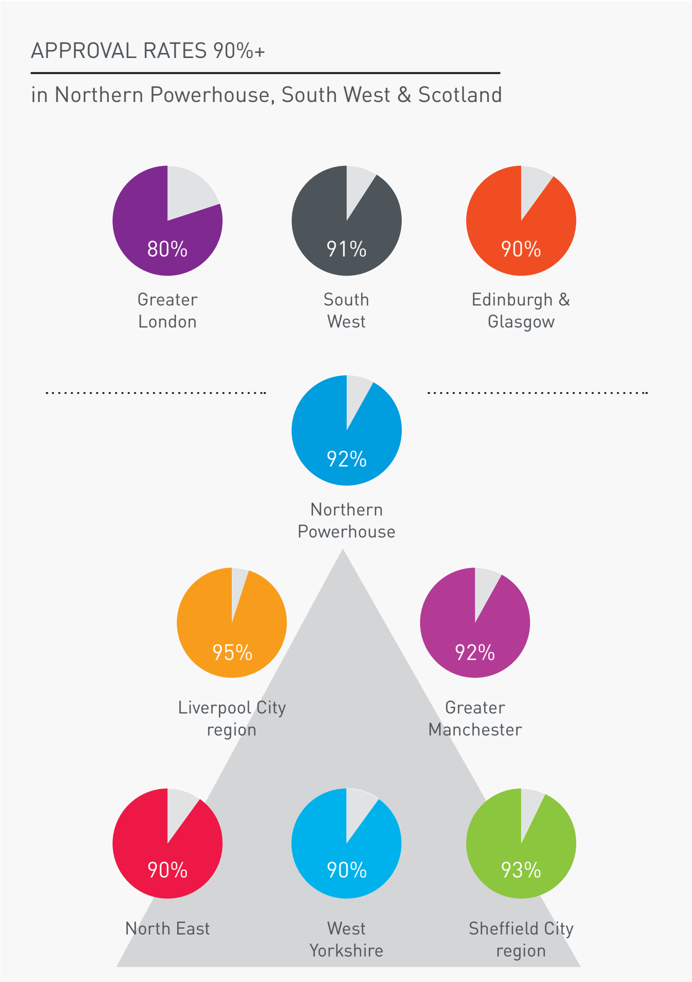
Combining these figures with the findings for Greater Manchester, **the Northern Powerhouse determined a total of 1,161 major applications this year, 50% more than Greater London. On a per capita basis, this translates to 11 major applications determined per 100,000 residents in the Northern Powerhouse, as opposed to just 9 determined per 100,000 residents in Greater London[4].** Furthermore, 7 out of the 10 planning authorities in this year's study to determine more than 50 major applications are located within the Northern Powerhouse.

SCOTLAND

In Scotland, Glasgow determined 31 major applications and Edinburgh determined 18. A separate report is available on Scotland.

ii. Number of applications approved

Whilst the volume of major planning applications determined has fallen slightly over the past twelve months, approval rates have remained steady. Overall, 87% of major applications were approved, with every region apart from Greater London reporting at least 90% approval.



Greater London is the only region in the study where gaining approval for major planning applications appears to be notably more difficult, with approval rates currently at 80%.

Whilst approval rates have always been reasonably consistent across monitored LPAs in the study (e.g. Greater London has been between 80%-86% over the last 5 years), this is the lowest approval rate in Greater London since our study began. With increased emphasis on the pre-planning stage, it would be hoped that the proportion of applications brought forward to determination in an acceptable manner to gain approval would be on the rise. As this is not happening, attention needs to be paid to understanding how we can minimise wasted effort on all sides by ensuring that all submitted applications are well informed, appropriate and more likely to ultimately succeed.

[4]Based upon local authority 'usual residents' statistics as reported in the 2011 census

Overall though, this is an encouraging level of approvals for the country's larger developments and demonstrates a positive planning environment in many of the country's large urban areas. It is notable that of all application types determined by local authorities in the same year period, DCLG reports a national approval rate of 88% - relating to approximately 425,000 applications determined.

There are also further signs of a strong system in a low overturn rate of planning officers' recommendations: 62 out of the 74 boroughs in the study did not report a single overturn of a major application decision during 2015-16. Of the remaining 12, the maximum overturn rate reported was 15% all major applications determined. This demonstrates that in a minority of LPAs there is still work to do in aligning stakeholders, but generally speaking consensus on major planning decisions is high.

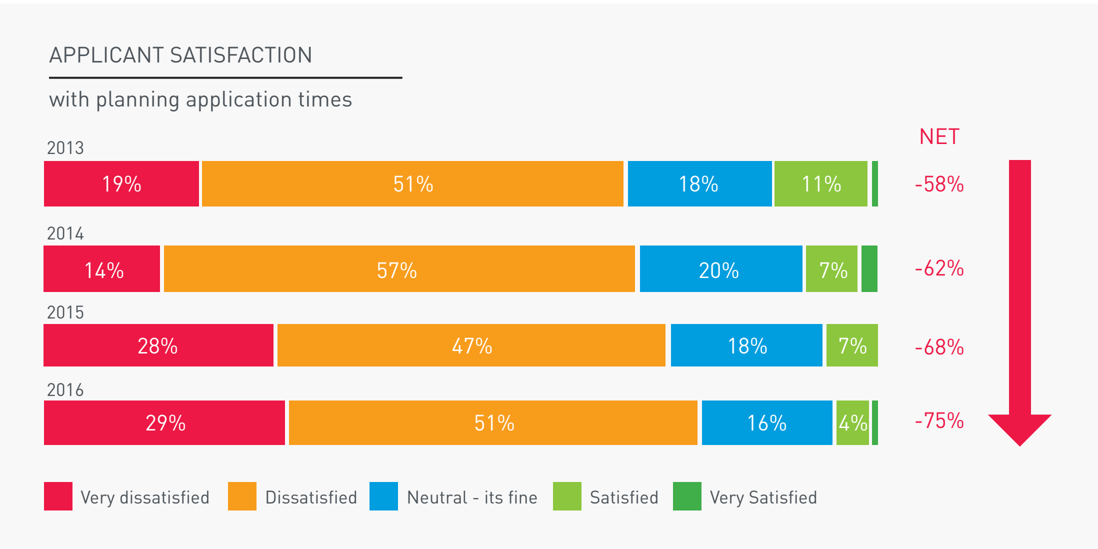
iii. Determination Periods

Arguably the biggest frustration with the planning system from an applicant point of view is the time taken for applications to be determined. This year's Annual Planning Survey found the highest level of discontent in determination times since our study began (80% of applicants in England are now 'dissatisfied'). Discontent with determination times has increased every year since 2013.

Average submission to determination times for major applications in this year's study were broadly consistent with last year's findings. Furthermore, a recent report by the Department for Communities and Local Government[5] found that 84% of all planning applications nationally in 2015-2016 were determined within the 13-week target. This allows notably for applicants with otherwise agreed periods allowing for Planning Performance Agreements, formal extensions of time and the Environmental Impact Assessment Regulations.

However, despite this reported progress, significant challenges remain with major applications that can potentially explain this rising discontent.

Whilst not longer than last year, the average submission to determination time for a major application across the authorities in the study stood at 31 weeks (about 7 months) for 2015-2016, and not a single region in the study had an average submission to determination time of less than 27 weeks (about 6 months).



[5]https://www.gov.uk/government/statistics/planning-applications-in-england-january-to-march-2016

Whilst the planning system is not slowing down, this year's findings provide further evidence to suggest that the current targets are simply unrealistic for most major planning applications under current conditions. The consistent failure to meet unrealistic targets may therefore be partly to blame for the growing discontent.

It is important to note that an increasingly large amount of time and effort has been devoted to the pre-planning process for major applications over recent years. It was hoped that this would facilitate faster and easier application processes post-submission. However, with determination times remaining around seven months on average, there may be a feeling that the pre-application process, and indeed the local authority designations, is not as effective as all hoped and that the pre-planning process is sub-optimal in identifying the relevant issues for the subsequent planning application.

Furthermore, one must also factor in the post-planning determination process of discharging planning conditions and addressing planning obligations that can also add months on to a development project before possible implementation.

Whilst efforts need to be made to reduce determination times nationally, stand-out performers also deserve praise. Five of the LPAs in this year's study reported average determination times of less than 20 weeks.

IN GREATER LONDON

Sutton has reported determination times of less than 20 weeks in each of the past 3 years.

IN GREATER MANCHESTER

Bolton dips below the 20-week mark this year.

NORTHEAST

WEST YORKSHIRE

TOPPING THE TABLES | LIVERPOOL CITY REGION

2. TIME TO FOCUS ON THE MOST EFFECTIVE POLICIES

The planning environment has evolved significantly over the last decade including the introduction of a large number of new policies and three planning Acts. In last year's study, we firmly established a link in the minds of applicants and LPAs between policies that increase planning activity and policies that the industry supports. It is therefore critical that we frequently review existing policies to validate whether or not they are effectively aiding development activity.

i. Examining attitudes to existing policies

Broadly speaking, most planning policies can be split into two types:

1. **Policies aimed at improving plan-making**
2. **Policies aimed at improving decision-taking**

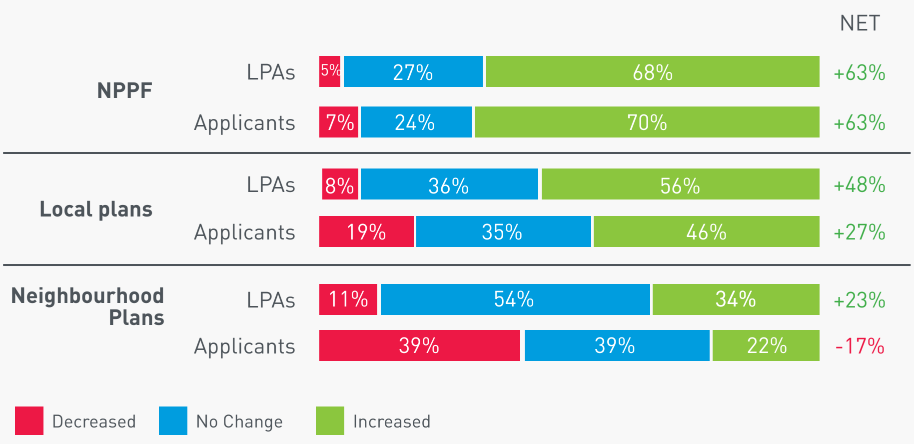
PLAN-MAKING POLICIES

With regards to plan-making policies, the Annual Planning Survey analysed the views of applicants and LPAs in England towards three specific initiatives which have all been the subject of relatively recent reviews examining their efficiency and effectiveness:

A. **The National Planning Policy Framework (NPPF) –** designed to simplify applications and remove costly delays from the system[6]
B. **Local Plans –** designed to set a vision for the future development of a local area: supporting housing provision, economic growth, improved community facilities and better infrastructure, whilst simultaneously safeguarding the environment[7]
C. **Neighbourhood Plans –** designed to ensure local people have more influence on how and where development activity takes place so as to best meet the needs of the community[8]

EFFECT OF PLAN-MAKING POLICIES

on level of development activity in England



[6]Adapted from: https://www.gov.uk/government/publications/national-planning-policy-framework--2
[7]Adapted from: http://planningguidance.communities.gov.uk/blog/guidance/local-plans/local-plans-key-issues/
[8]Adapted from: http://www.pas.gov.uk/neighbourhood-planning

Applicants in the North West are especially likely to say the NPPF has increased development activity (81%).

Standing strong with broad support from both applicants and LPAs is the NPPF. Seven in ten applicants (70%) and LPA professionals (68%) who took part in the survey believe that the NPPF has increased development activity in England.

When it comes to Local Plans, opinions are still positive if more muted. Just over half of LPAs (56%) and just under half of applicants (46%) state that Local Plans are increasing development activity.

However, Neighbourhood Plans are more controversial. The majority of LPAs (54%) believe that Neighbourhood Plans are having no effect on development activity, whilst applicants are nearly twice as likely to say they are having a negative effect than a positive effect (39% vs. 22%).

At an overall level though, whilst neither LPAs nor applicants are convinced of the development benefits of Neighbourhood Plans, there is broad consensus that the NPPF and an increased focus on Local Plans are each having a markedly positive effect on the planning system.

DECISION-TAKING POLICIES

There have been a large number of policy proposals around decision-taking processes in recent years. The Annual Planning Survey analysed the views of applicants and LPAs towards three specific policies:

A. **Office to residential permitted development rights –** enabling the conversion of office accommodation to residential use without requiring planning permission from the local authority[9]

B. **Planning Performance Agreements (PPAs) –** a project management tool used to agree timescales, actions and resources between the LPA and the applicant[10]

C. **Community Infrastructure Levy (CIL) –** a planning charge introduced in England and Wales to help deliver infrastructure to support the development of the local area[11]

Two of these polices – office to residential permitted development rights and PPAs – stand out in the eyes of applicants and LPA professionals as driving increased development activity. DCLG evidence also points to the increasing use of voluntary PPAs in major planning applications – in March 2016 these were used in over half of all major applications[12].

However, in stark contrast, CIL is seen to be having an adverse effect. It is worth remembering that the stated purpose of CIL was originally to provide a faster, simpler, more transparent system than section 106 Planning Agreements. However, 97% of LPA professionals and 83% of applicants state that CIL has either reduced or not changed development activity.

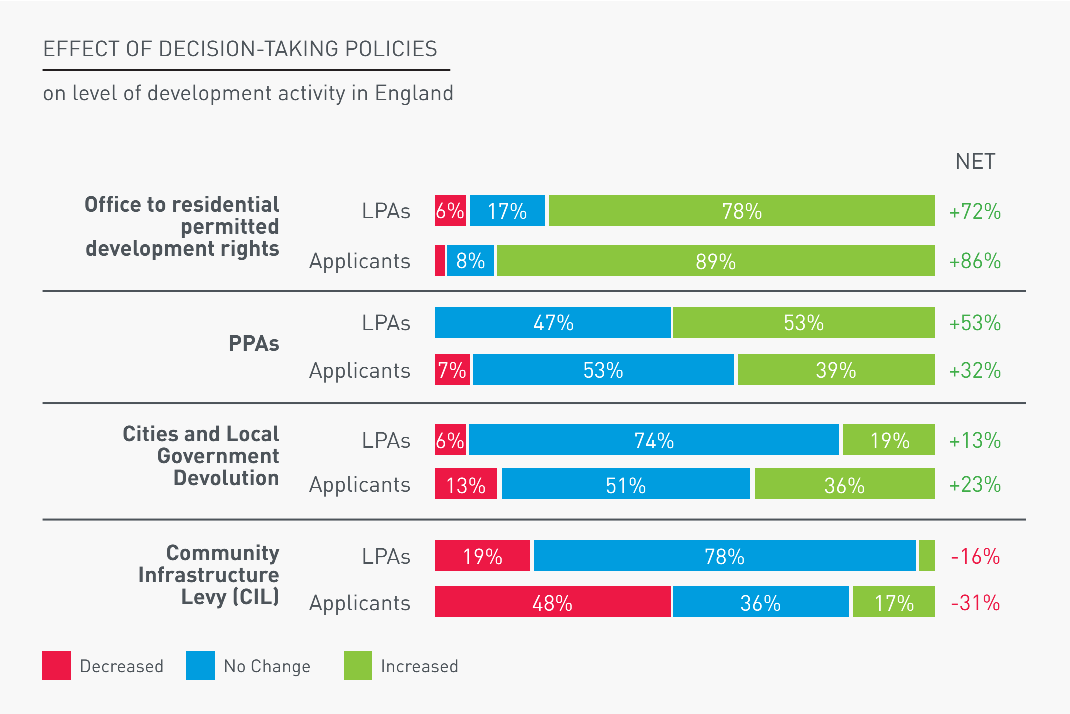
In last year's report we revealed that nearly one third of applicants (30%) would be in favour of scrapping CIL altogether. Together with this year's findings CIL is considered to reduce development activity, it appears the industry believes this policy is not currently working as intended. It is understood that a report from the independent Community Infrastructure Levy Review, chaired by former BPF chief executive Liz Peace, is currently being considered by the Government.

[9]http://www.londoncouncils.gov.uk/our-key-themes/housing-and-planning/permitted-development-rights-offices/introduction-permitted

[10]Adapted from: http://planningguidance.communities.gov.uk/blog/guidance/before-submitting-an-application/planning-performance-agreements/

[11]Adapted from: https://www.planningportal.co.uk/info/200126/applications/70/community_infrastructure_levy

[12]https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/529415/Planning_Applications_January_to_March_2016.pdf



Applicants in the North West slightly less likely to say Office to Residential Permitted Development Rights has increased development activity (73%).

With applicants and LPAs both eager for affirmative action to improve the effectiveness and efficiency of the planning system, now is the time to get behind policies that have already shown positive potential – the NPPF, Local Plans, Office to Residential Permitted Development Rights and PPAs.

ii. Tackling the Housing Crisis

Overshadowing conversations on the planning system is the housing crisis. A political hot-topic, it is estimated that we need to more than double the current rate of housing provision and build the equivalent of 'two Bristols' annually in order to overcome the shortage.

It is perhaps therefore unsurprising that the delivery of additional housing tops the internal priorities lists of both LPA professionals and applicants. It may also be unsurprising that the type of housing each party wants to deliver is slightly different, with applicants promoting homes for sale whilst LPA professionals champion affordable homes, followed by infrastructure.

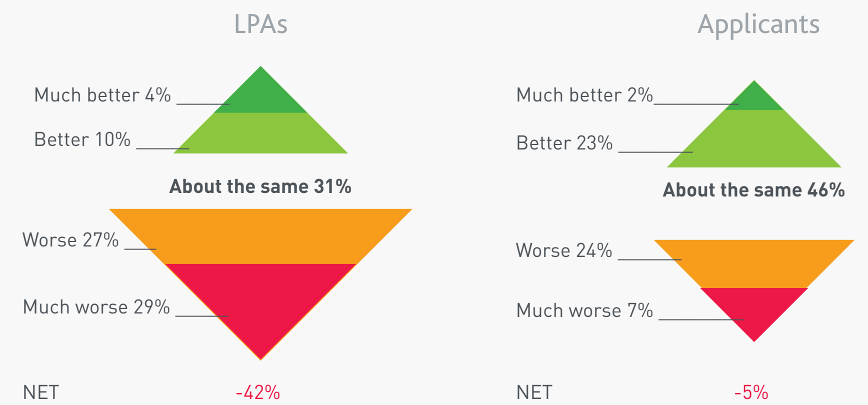
Applicants in Scotland prioritise accelerating the development of infrastructure (53%) above affordable homes (40%) – please see the separate Scotland report for further details.

What both sides are in agreement on though is that solving the housing crisis will not be simple. Last year we found that two-thirds of applicants felt the planning environment was bad or terrible for accelerating housing delivery. Both LPA professionals and applicants believe that this environment has deteriorated further over the last twelve months.

LPA AND APPLICANT INTERNAL PRIORITIES

	LPAs	APPLICANTS
#1	Affordable homes 88%	Homes for sale 67%
#2	Infrastructure 78%	Affordable homes 42%
#3	Homes for sale 59%	Rental Homes 37%
#4	Rental Homes 37%	Infrastructure 35%
#5	Office Space 34%	Office Space 31%
#6	Retail Space 29%	Retail Space 29%
#7	Leisure space 7%	Leisure space 17%

Has the Government's approach to planning made housing delivery better or worse in the last 12 months?



Of course, the issue of housing delivery is not simply confined to the planning system. It is also highly dependent upon land availability, appropriate funding mechanisms and relevant skills sets. Overall therefore, fewer than half of applicants or LPAs are confident that the Government will be able to accelerate the delivery of housing. Applicants are somewhat more positive than LPAs, but with a heavy bias towards homes for sale; even amongst applicants, only around 1 in 4 (26%) are confident in the accelerated delivery of affordable homes.

It will come as little surprise to those in the industry to learn that significant attention therefore still needs to be paid to how to accelerate housing delivery. However, at the same time, other aspects of development should not be ignored.

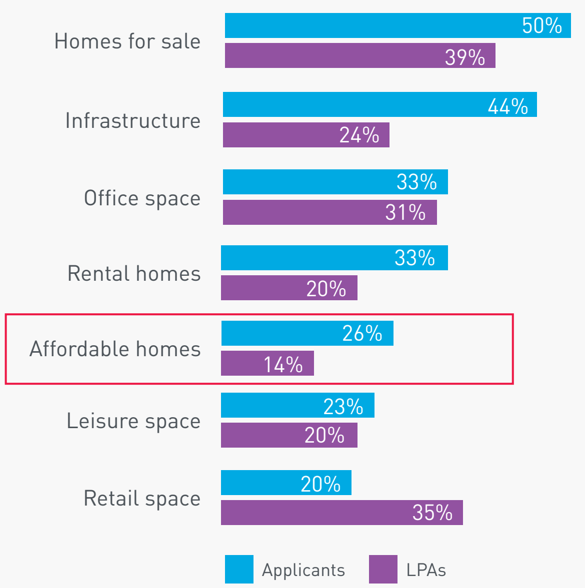
Whilst office to residential permitted development rights could help provide more homes for our growing population, it also threatens reducing available business space. With fewer than one third of applicants prioritising the acceleration of office (31%), retail (29%) or leisure space (17%), there remains anecdotal concerns around whether working spaces in our cities are likely to suffer.

Whilst considering how to tackle the housing crisis, we also need to ensure that it is not joined by the emergence of a working space crisis.

Applicants in London are much more likely to prioritise accelerating the development of work-related spaces than their counterparts in the North West including office space (44% London vs. 10% North West) and retail space (33% London vs. 13% North West).

CONFIDENCE IN THE GOVERNMENT

being able to accelerate delivery of different types of development



3. FURTHER FINESSING OF THE PLANNING SYSTEM

Given the prevalent and growing frustrations with the planning system highlighted by this year's fifth Annual Planning Survey, it is vital that the industry continuously seeks ways to make the system more effective and efficient. The great news is that within the industry we have the intellect and capabilities to enact positive change, as demonstrated by the fact that majority of recently introduced policies are believed by both LPAs and applicants to be driving growth in development activity.

It is clear that the sector wants to see that existing policies are refined to make them more effective and that new initiatives are adopted selectively in order to drive positive change – while at the same time ensuring that good current working practices are not disrupted. The planning system arguably thrives on stability, and there is strong evidence that the 'plan-making' system is largely supported and simply needs further time to settle down as the NPPF reaches its 5th birthday. Although doubts remain around Neighbourhood Plans, these seem set to stay within the concept of Localism and the industry is likely to welcome the apparent acceptance from the Government that this initiative can be improved and look forward to further clarity on the related processes.

Conversely, the 'decision-taking' side of the planning system has been the subject of wide ranging changes in recent years – from CIL / s106, through the various changes to permitted development rights, to the emerging Permission in Principle process. Despite the extent of changes already made in this area, there still remain further aspects of the decision making process that will require further finessing. With an overriding desire from both applicants and local authorities to share and communicate best practice going forward the outlook remains positive.

i. Building on the success of PPAs

We previously saw that PPAs as a shared project management tool are considered to be aiding growth in development activity and receive strong support from both LPAs and applicants, whilst DCLG data shows that these non-statutory documents are now being used in more than half of all major planning applications nationwide[14].

However, rather than resting on these laurels, more needs to be done to exploit the potential benefits of PPAs in facilitating much needed development such as housing. Indeed, just over half of applicants (60%) and LPA professionals (54%) that responded to the survey are yet to feel any direct benefits in faster determination speeds or alleviated LPA resourcing pressures as a result of using PPAs.

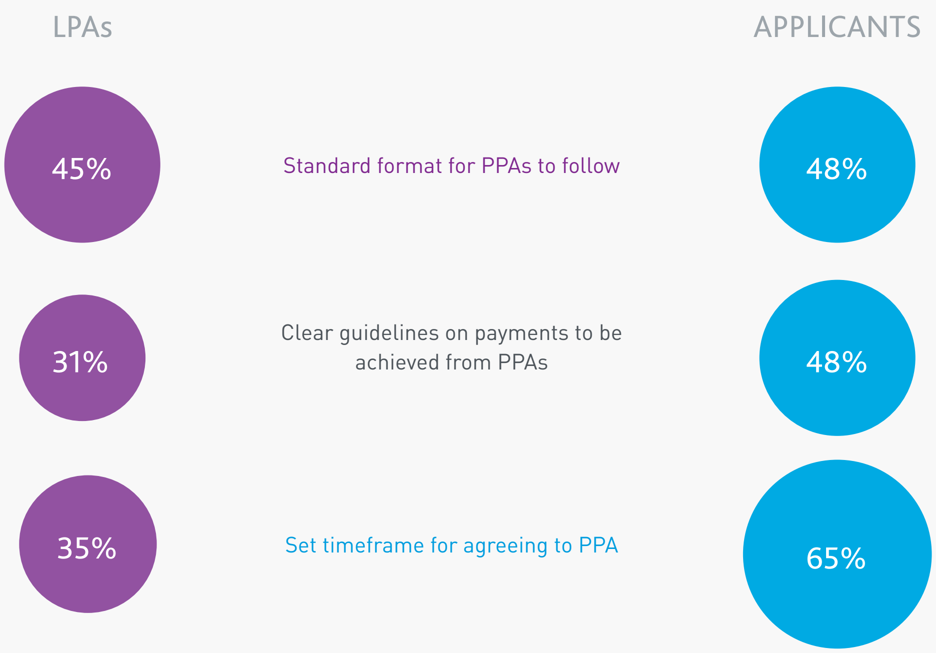
Applicants in London are much more likely to have seen benefits from PPAs than their counterparts in the North West (47% vs. 26%)

[14] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/529415/Planning_Applications_January_to_March_2016.pdf

Beyond these teething problems, the industry is still very enthusiastic about the potential of PPAs with the majority of both applicants and LPAs believing that they can have a positive impact on speeding-up decisions and alleviating resourcing pressures. In order to enable this though, a series of changes may need to be made to the way that PPAs work.

Applicants – eager to see faster determinations – believe that the most important change would be to introduce a set timeframe for agreeing PPAs (65%). LPAs, on the other hand, promote the introduction of standard formats for PPAs as their highest priority (45%).

WAYS TO IMPROVE PPAs



ii. Ideas for creating a more effective and efficient planning system

In addition to refining PPAs, we also examined how effective applicants and LPAs felt five other recent or proposed initiatives could be at alleviating LPA resourcing pressures and speeding up the determination process.

The five initiatives examined were:

1. **Permission in Principle**
2. **Brownfield Register**
3. **Planning Performance Reviews**
4. **Section 106 Dispute Resolution**
5. **Changes to Planning Application Fees**

Looking at how responses varied between applicants and LPA professionals, one difference becomes immediately apparent – applicants are generally more optimistic whilst LPA professionals remain sceptical about their effectiveness.

There could be a number of reasons for this difference. One explanation is that applicants are simply so frustrated by current challenges in the planning system that they are willing to support any initiative in the hope that it could have a positive impact. Another is that LPA professionals have to consider how they implement each of the changes, whilst continuing to deal with their existing workload.

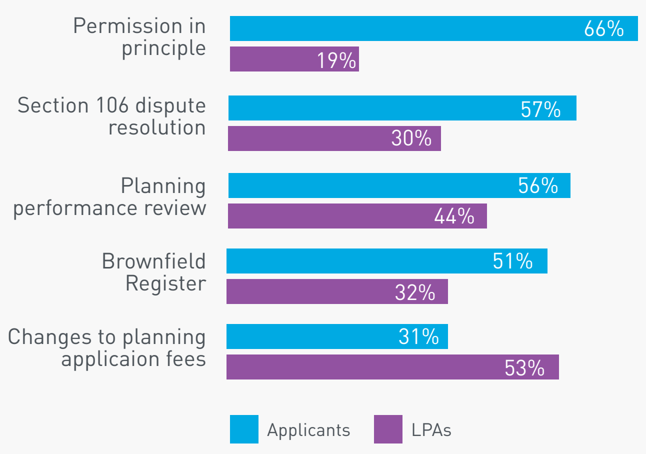
Changes to planning application fees are the exception as the most positively viewed policy by LPA professionals but least positively viewed by applicants. Anecdotally, there is an appetite for applicants to bear a greater cost for an efficient process, perhaps reflected by the increasing use and popularity of PPAs.

One initiative that stands out is Planning Performance Reviews. Seen as being able to deliver speed and resourcing improvements by around half of LPA professionals (44%) and applicants (56%), Planning Performance Reviews have wide support from the industry and therefore seem ideally placed for further focus.

Another factor that will come into play is Cities and Local Government Devolution. Whilst the majority of both applicants (51%) and LPA professionals (74%) believe that this has so far had no effect on development activity, the true implications of devolution – positive or negative – will only become clearer over time.

POLICIES LIKELY TO IMPROVE SPEED

of decision-making and LPA resourcing pressures



4. CLOSING REMARKS

Last year, we made the call for increased investment in the planning system. In the wake of continued pressure on public finances this has not materialised. Whilst simply repeating this call for investment would be easy and logical, it is important to remember that we are operating in an environment where the public sector continues to need to find ongoing cost savings. Therefore, merely re-iterating a call for investment is unlikely to be the most productive course of action.

Instead, the industry must look to itself for answers. We must all take responsibility for driving progress and maximising the productivity of the resources at our disposal, placing increasing emphasis on the private sector to support LPA processes at the 'coal face'.

The planning system, whilst not optimised, is functioning. We have a stable environment in which thousands of major planning applications are being determined – and more often than not approved – on an annual basis. Between April 2015 and March 2016, 1,826 major planning applications were approved by the 74 LPAs in our review. That's an average of 25 successful major applications per LPA.

Where the system is perceived to be functioning well, much of the success is attributed to government policy. Both LPA professionals and applicants highlight the successes of the NPPF, PPAs and Local Plans at driving growth in development activity. Numerous other initiatives from Planning Performance Reviews to Section 106 Dispute Resolution are also seen as holding potential. As an industry, we are constructive, resourceful and resilient.

However, there is still much to improve on. Major planning applications take far too long to be determined (around 7 months on average) to the growing frustration of most involved. A continued focus on improving these speeds, as well as pre-submission and post-determination periods, remains important. And, of course, we have a national housing crisis – not to mention a potential working space crisis – to contend with.

In light of these challenges, we must come together as an industry. All parties involved in planning and development must collaborate to share the collective power of our ideas, refine and optimise existing policies and processes, and continue to develop new solutions pragmatically.

It is important for all of us – across both the Public and Private sectors – that the planning system is not just perceived as a barrier and as something used by 'NIMBYs' to frustrate development and fill MPs' postbags. Instead it must be seen as an important facilitator of regeneration and the creator of great places. An effective planning system paves the way for ambitious infrastructure projects, which in turn facilitate development opportunities and economic growth.

The next few years will not be easy. Public finances remain under pressure and resources will continue to be stretched. However, rather than looking externally for assistance, the Annual Planning Survey highlights the opportunities from looking within the industry to drive collaborative, positive improvements looking within the industry to drive collaborative, positive improvements. In fact, if as an industry we can make progress with the outlined initiatives then we will have the blue print in place for a more effective and efficient system.

5. METHODOLOGY

Commissioned by GL Hearn and supported by the British Property Federation (BPF) and the Scottish Property Federation (SPF), the findings of this report are based on the Annual Planning Survey 2016 and a review of major planning applications determined by 74 LPAs across the UK in 2015-16.

An annual feature of the planning calendar since 2012, over the last 5 years we have reviewed more than 7,000 individual major planning applications and surveyed in-excess of 1,300 applicants, advisors and LPA professionals, making this the largest independent assessment of the planning system in the UK[15].

The Annual Planning Survey 2016

The Annual Planning survey, conducted online by B2B research specialists Circle Research, is an annual study of LPA professionals and applicants in the UK. We are delighted to announce record participation from 385 professionals involved in planning applications (336 applicants and 49 LPA professionals). This year also saw the introduction of a Scottish survey for the first time. Both surveys were conducted during June and July 2016.

LPA professionals and applicants were invited to take part via three sources: promotion to BPF and SPF members, an email to GL Hearn contacts, and advertisements on planning-related websites and social media pages.

Major Planning Applications Review

Planning application data was sourced from relevant Local Authorities' websites and via Freedom of Information requests for major planning applications determined between 1st April 2015 and 31st March 2016.

For the purpose of this review, a 'major planning application' has been defined as being:

- Residential developments with ten or more dwellings or covering at least 500 sqm (0.5 ha)
- Commercial developments covering at least 1,000 sqm (1.0 ha)

We have also excluded s73 amendment applications and instead focused solely on new/primary applications.

As in previous years, this review included major planning applications in Greater London, Greater Manchester and South West England (Bristol-vicinity). This year, in recognition of the importance of major applications across the entire country for driving economic prosperity, we have also included the North East combined authority area, Liverpool City region, West Yorkshire, Sheffield City region and Edinburgh & Glasgow, bringing the combined number of Local Planning Authority areas monitored to 74.

Where statistics for "The Northern Powerhouse" are quoted, these include all LPAs as consistent with the Centre For Cities definition[16] with the exception of East Riding, North Lincolnshire and North East Lincolnshire, which were not included in the study.

This comprehensive review provides insights into market trends across key UK hotspots for development activity. Combined with the results of the Annual Planning Survey 2016, the findings provide a valuable snapshot of where we are now, together with planners and developers hopes for the future.

All quoted statistics are published in good faith and to the best of our knowledge. Should you believe that any published statistics are incorrect, please relate this information with supporting evidence to GL Hearn for amendment.

[15] Correct to the best of our knowledge at time of writing

[16] http://www.centreforcities.org/wp-content/uploads/2015/06/15-06-01-Northern-Powerhouse-Factsheet.pdf

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