

REPRESENTATIONS BY B&Q PLC

BARKER REVIEW OF LAND USE PLANNING: call for evidence

MARCH 2006

HM TREASURY

1.0 Introduction

- 1.1 A call for evidence has been requested by the Chancellor and Deputy Prime Minister into Kate Barker's Review of Land Use Planning.
- 1.2 The terms of reference suggest that Barker is to consider how (in the context of globalisation) planning policy and procedures can better deliver economic growth and prosperity alongside other sustainable development goals. In doing so she is asked to build on the reforms already in place.
- 1.3 B&Q considers this to be a significant task, however it welcomes the Government's ongoing approach to improving the accountability of the planning system. Clarification and review of policy and procedure is fundamental to a consistent approach and transparency of decision making. The ability to plan ahead is essential for all businesses and reviews play an important role in ensuring predictability in decision making and a more efficient and unambiguous system.
- 1.4 B&Q though questions the relevance of such a review so soon after one of the most significant periods of reform experienced by the planning system since its conception, culminating in the Planning and Compulsory Purchase Act (2004). The present system, which itself still remains only partly formalised, has not yet had a chance to prove itself and therefore B&Q would like to see a greater explanation of the purposes of the Barker review and in what context a call for evidence is to be considered?
- 1.5 Indeed, even if major flaws are found, what scope is there to address these within the short to medium term (a period that is material to businesses) without undergoing another immediate reform to the planning system?
- 1.6 As the UK's largest DIY retailer, B&Q has already undertaken a series of important lobbying exercises with local, regional and central decision making bodies to raise awareness of the economic needs of the DIY retail sector. We question whether the Barker Review is another form of 'silo' consultation

which will simply duplicate previous consultation exercises or whether it is part of an integrated framework of consultation?

- 1.7 Notwithstanding our reservations in points 1.4 to 1.6 above B&Q considers that there are 5 key areas, within Land Use Planning, which are integral to improving prosperity and economic growth but which, unfortunately, currently have a direct and detrimental effect on the economic performance of the business. These are set out below.

2.0 Resources within the Planning System

- 2.1 B&Q remains concerned that the ongoing reviews within the planning system continue to fail to address the issue of inadequate planning resource in terms of absolute staffing levels and appropriate skill base. The increasing burden on local, regional and national decision makers to make prompt and accountable decisions, alongside ongoing reform, reduces the ability for these bodies to interact with developers and business during the critical decision making period.
- 2.2 The planning system is still not suitably equipped to be a proactive system. It remains reactive to the planning application. Large development proposals are still reliant on one or two key officers within each decision making authority resulting in considerable delays to the decision making process due to excessive workload. This skill base should be spread throughout the authority at all levels.
- 2.3 Planning bodies are over stretched, with a lack of skilled staff, meaning they do not have the ability to implement a proactive plan led approach. This has major implications for the speed of the planning system and for the quality of service applicants receive. A lack of investment in the planning system can, in some cases, result in much needed development not taking place.
- 2.4 The resulting delays due to poor resourcing occur at every tier of decision making. PINS is a very simple example of a failure of the review process to reduce delay. Where delays at local level prompt an appeal for non-determination, B&Q is still experiencing a 12 month wait for a planning inquiry date which is simply unacceptable.
- 2.5 B&Q recognises that an increase in planning fees is one way of generating funds. However with many authorities beginning to charge for pre-application

discussions, the cost of major applications is increasing rapidly with no corresponding improvement in service.

- 2.6 It is essential that the system is not abused in such a way and that planning fee revenue is directed back into resources to enable expedient and well - informed decision- making.
- 2.7 Central government remains misguided about the abuse of the planning system which occurs due to the timescales imposed on authorities through the Planning Delivery Grant. Whilst we support the grant our experience remains that some decision-making bodies do not have the expertise to properly assess a major planning application. They are aware of their 13 week target and therefore will simply let the application run its course, with limited interaction, up to a refusal before the 13 week period expires. PINS then take responsibility, resulting in further delay to potential economic growth and prosperity.
- 2.8 The basis for an efficient planning system is actually, we believe, in place. There is simply not enough trained staff to implement it. This relatively straightforward issue has yet to be addressed.

3.0 Recognition of Retail Employment and Regeneration

- 3.1 Due to the Use Class Order 2005 Class A1 Retail remains, understandably, within a separate use class to Class B1 Business, B2 General Industrial and Class B8 Storage and Distribution. However the Class B uses have always been perceived as the `employment uses' and therefore any use class outside this is not considered to be a valid employment use. This is a matter that we have severe reservations about and believe needs addressing.
- 3.2 B&Q is a major employer and investor in every region across the UK, and has won awards for training and the flexibility and quality of employment provision that it offers. An annual salary bill for a B&Q Warehouse is c. £2.5M.
- 3.3 However, all too often, the benefits of this investment are overlooked because the retail operation falls outside a B Class, and therefore is not perceived as offering `proper jobs'. This prejudicial approach to investment decision making is stifling economic growth and investment and decision makers should be directed to recognise the important employment benefits that retail jobs can offer the economy.

- 3.4 Retail development is often seen as the 'necessary evil' to pump prime other forms of development. We consider this to be an unfair approach to the regeneration benefits that retail development can achieve. The development that B&Q undertakes or occupies acts as an important catalyst to physical and economic regeneration of previously developed land often matching wider initiatives such as social inclusion and development within deprived areas.
- 3.5 Economic growth attributed to retail development deserves greater recognition. Sustained retail sales provide an important contribution to the performance of the UK economy, with the DIY sector being a major growth area in recent years.

4.0 Recognition of Different Forms of Retail

- 4.1 During the 1980's a new form of retail development evolved known as 'retail warehousing'. Occupation of such retail warehouses in the 1980s and 1990s was typified by retailers like B&Q who needed the space to display their product range and who were already located outside the main high street in various yards and depots.
- 4.2 This early form of retail warehousing was quite distinct from traditional high street retailers who specialised in fashion, cosmetics, music and videos etc.
- 4.3 However, we have now experienced a 'blurring' of the two forms of retail with traditional high street retailers occupying retail warehouse space away from the high street raising concerns about town centre impact.
- 4.4 This has resulted in significant problems for B&Q, as DIY retailing is now considered alongside the likes of fashion or even food retailing as being an unacceptable retail use to have outside the town centre, even though it has never traditionally located there.
- 4.5 Over the last 20 years the number of times that a B&Q retail operation has been considered to give rise to unacceptable impacts on a town centre by the First Secretary of State (or his former counterparts) has been negligible. Despite this, DIY retailing remains categorised with traditional high street retailers even though its business model remains quite different.
- 4.6 Whilst B&Q recognises the principles of PPS6, we believe that DIY retailing should be identified as an exceptional form of retailing whose business requirements are quite different from high street retailers and whose

economic deliverability, innovation and prosperity relies upon the ability to serve the building trade and individual DIYer with a range of bulky products from a large retail floorplate.

5.0 Tiers of Decision Making

5.1 The planning system has created a series of decision-making bodies each of whom should adhere to the same key planning policy principles. However, due to different vested interests, this is not always the case.

5.2 In London, for example, B&Q will interact with the following key decision makers:-

- Local Authority planning officers
- Members of the Local Authority Planning Committee
- Greater London Authority
- Government Office for London
- Planning Inspector (in the case of an appeal)
- First Secretary of State (in the case of an appeal)

5.3 This list excludes other parties such as local residents, statutory consultees, ward councillors etc.

5.4 The ability for the planning system to be transparent and provide certainty to an investment decision when there are up to 6 different decision makers for one planning application is questionable.

5.5 The certainty offered by a sole local authority / GLA system in London would in fact increase certainty and the ability for investment decisions to be made with speed, transparency and certainty.

5.6 Further, the extent to which councillors without MRTPI accreditation can make valid and considered planning decisions is often questionable. B&Q recognises that political aspirations have a role to play in the planning system, but would be keen to see a protocol whereby all members of the planning committee are subject to a level of training which enables them to make sound and compelling decisions.

6.0 The relationship between economic and other sustainable development goals in the delivery of sustainable communities

- 6.1 B&Q recognises the importance of sustainable development, and the role retailers can play in helping to meet the 2010 target of generating energy from on-site renewable sources. Indeed B&Q has recently committed to 10% renewable energy sources from its first mixed use store in London.
- 6.2 Unfortunately though, there remain a number of barriers to developing renewable technologies within the retail sector. First there are high costs involved in providing onsite renewables. For new developments to remain viable, there needs to be a balance between the provision of renewables and other social benefits that development facilitates. In some instances there may be a need to reduce the amount of funds provided for affordable housing provision or community benefits, to counter the high costs of renewable energy.

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