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RJF Briefing Paper 4

National Planning Policy Framework and its direct
implications for the LEPs

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RJF Public Affairs was founded in Birmingham in 2011 by Marc Reeves, Kevin Johnson and Martin Field. It is the only consultancy of its kind to focus on the West Midlands, and it specialises in helping businesses improve their understanding of and relationships with the changing political structures in the region. We monitor activities within council chambers and other corridors of power, and help clients develop approaches to contribute to the positive development of policies which impact on the region.

Summary

The publication of the National Planning Policy Framework has direct implications for the work of the LEPs. The streamlined planning system that is envisaged by the Government with the publication of the Framework is expected to have direct relevance for the development of enterprise zones (which provide tax allowances for business investors in some areas) and could lead to a business friendly environment for planning across the country in general.

Context

The approach adopted by the Coalition Government towards planning is markedly different from that of the previous Labour administration. Planning proposals across the country previously had to conform to a strategic plan developed by the local authorities via the Regional Spatial Strategy (RSS).

In addition, local authorities had to be cognisant of a series of national policy positions regarding planning known as Planning Policy Statements in order for national and regional considerations to be met. The Coalition Government said this was a cumbersome and complex system which took critical decisions away from local communities. It proposed that the National Planning Policy Framework

should be the overriding document that councils should consider when considering planning issues.

While the last Government emphasised the regional dimension of planning decisions within the RSS, one of the early pledges of the Coalition Government was to place the emphasis upon planning approval with local needs first placing the needs of local communities before cross border considerations are analysed.

This, however, does not mean that Government is not involved in local planning decisions in any way as the Secretary of State for Communities and Local Government has, on occasion, overruled local authority planning decisions across the country.

Nonetheless, the publication of the National Planning Policy Framework should be seen within the context of the Government's approach towards putting the needs of local communities first in a policy theme that the Government has termed localism.

From a strict legal perspective in respect of the publication of the National Planning Policy Framework, the document is linked to the Planning Act 2008 but from the policy implementation perspective the genesis of the document is linked to the governing principles of the Coalition Government rather than being based on previous legislative precedents.

The Government's initial attempt to produce the National Planning Policy Framework was mired in controversy with heritage and conservation groups, including the National Trust, expressing concerns that the wording of the document placed the needs of business above the needs of the environment.

While the Government disputed this interpretation of their initial document, it led to the Government deciding to revise the Framework. Nonetheless, the National Planning Policy Framework is seen as an essential step to stimulating economic growth as made clear by the Chancellor of the Exchequer in the Budget speech of March 2012.

National Planning Policy Framework

As stated by the Planning Minister, Greg Clark MP, in the Ministerial foreword to the document:

“Development that is sustainable should go ahead, without delay – a presumption in favour of sustainable development that is the basis for every plan, and every decision”.

In response to earlier criticism that the Government was placing economic needs before the environment, sustainable development is defined as:

“Living within the planet's environmental limits; ensuring a strong, healthy and just society; achieving a sustainable economy;

promoting good governance; and using science responsibly”.

Councils will have to follow a “sequential test”. This is planning jargon that refers to the need for significant developments to occur first in urban areas before such developments are considered for rural areas.

This does not mean there would not be any developments in rural areas. For example, in the area of housing, the Framework states that housing should be located:

“where it will enhance or maintain the vitality of rural communities”.

while

“Local planning authorities should avoid new isolated homes in the countryside unless there are special circumstances”.

LEPs are singled out as critical bodies with the development of local authority planning strategies with councils told 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”.

In addition, local authorities will be granted a transition period until March 2013 to enable councils to adapt towards conforming with the

National Planning Policy Framework.

Planning Minister Greg Clark, says:

“In many cases the development industry and communities have tried to overcome confrontation through quality engagement. The Framework builds on this good practice to encourage communities and developers to see themselves as on the same side in delivering what people need”.

Organisations such as the National Trust have also welcomed the Framework but the House Builders Association has expressed their concerns:

“While the concessions to the hysterical anti-development campaign led by the National Trust and CPRE have been relatively few, there is a weakening of the value of the presumption in favour of sustainable development as a result of the confusing advice surrounding extra time that local authorities may now have to bring up to date and adopt their local plans”.

Implications for the LEPs

The LEPs’ judgement in respect of the business needs of their areas - specifically in relation to planning - has to be taken on board by local authorities, especially when councils are developing their Local Plans.

Therefore, the LEPs' judgment regarding the business needs in each part of the country will have a direct bearing upon planning actions and – as a direct consequence – upon economic growth trends.

In addition, the enhanced role of the LEPs in the new planning environment could necessitate a very significant opportunity in terms of the marketing and development of the enterprise zones.

Planning policies specifically tailored to the zones that streamline planning approval for commercial developments combined with the tax allowances that exist in the zones from April 2012 could mean that these zones echo, to some extent, the successful light touch, low tax environment of similar zones that have occurred in the past such as in Telford, Liverpool and Canary Wharf.

Notes

[National Planning Policy Framework](#), Department for Communities and Local Government, March 2012

[Conservative Home](#), 28 March 2012

[Construction News](#), 28 March 2012

Comment

By Marc Reeves, RJF Public Affairs

'At last,' some in the LEPs might be forgiven for thinking, 'we've been given a definable, deliverable role in directing business growth in our patch.'

Indeed, the power of LEPs to prescribe the business priorities of an area are significantly boosted by the obligation of local authorities to include each LEP's analysis in their Local Plans.

But with that welcome statutory right to be a central part of the decision making process, there comes a real set of responsibilities that may be challenging to discharge.

Smaller LEPs in particular may struggle to put in place the complex data collection and analysis tools that will be needed to underpin a statement of an area's complex economic, industrial and employment needs. Larger ones, even, will have to ensure they also have the wherewithal to police the delivery of business-friendly planning policies by local authorities.

At the heart of it, though, will be the LEPs' ability to justifiably claim to be speaking for the whole of business. That will depend on the level of engagement they can expect from business – and the level of commitment and trust business can give to these new and untested bodies.

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We publish a daily online collection of articles, comment and discussion by key politicians, commentators and analysts. To receive this free, daily service, click here: <http://bit.ly/zu1Ton>

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