

## TheCityUK response to consultation on an Accelerated Planning System

### About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK and internationally that drive competitiveness, support job creation and enable long-term economic growth. The industry contributes 12% of the UK's total economic output and employs over 2.4 million people – with two thirds of these jobs outside London across the country's regions and nations. It pays more corporation tax than any other sector and is the largest net exporting industry.

Our industry is involved with the planning system at all stages. On the wholesale side our members provide capital, investment, professional advice, and insurance which are essential to getting major projects built. On the retail side our members make a real difference to families and small businesses by helping them save for the future, buy and invest in improvements to their homes, and invest in a business and manage risk.

### Consultation Response

#### **Introduction**

TheCityUK agrees that there is a need to accelerate and reform the planning process and are very pleased that the Department for Levelling Up, Housing and Communities (DLUHC) is grasping this issue by considering new approaches.

Additionally, we believe that the government should signal to investors and developers that the new Accelerated Planning Service is the starting point on a journey to address the fundamental issues within the British planning system and to remove disincentives to institutional investment, development, and economic growth. We therefore hope that the government will use its response to this consultation to not only finalise and refine its plans for the Accelerated Planning Service, but also to set out a clear intention to address broader issues, including the complexity of the current planning system, in the coming years. Such a commitment should include addressing the lack of predictability in decisions, which can deter investment, and ensuring that local planning authorities have sufficient resources to be able to handle the volume of applications.

#### **Delivering an Accelerated Planning Service which works**

There is a risk that the introduction of an Accelerated Planning Service could lead to an increased number of refusals of applications. Local planning authorities may become incentivised to refuse an application made via the accelerated service at the end of the 10-week time limit, rather than spending further time reviewing it, so as not to lose their planning fee. This could result in an increased number of planning appeals, which would have

associated time and cost implications for local planning authorities, developers, and the Planning Inspectorate.

Furthermore, a significant number of development projects will not be included in the initial scope of applications proposed for the accelerated service, including major commercial Environmental Impact Assessment developments. The benefit of the accelerated service will therefore be limited to a sub-set of developments. This risks creating a two-tiered service and adding an extra layer of complexity, to an already complex planning system. This will generate further challenges for planning teams and developers and place more pressure on the limited resources available.

Therefore, as the Accelerated Planning Service is taken forward, we ask the government to:

- Provide additional support and resource to ensure local planning authorities can meet the accelerated time limit, while not delaying approval of all other applications.
- Ringfence the fee for Accelerated Planning Service applications to ensure the funds are not diverted to other non-planning services.
- Reflect the accelerated service in relevant legislation and regulations to ensure that the revised process is captured by the necessary legal framework.
- Develop guidance that sets out clear milestones within the Accelerated Planning Service process.

## Solutions

The success of any future reform to the planning system will depend upon fundamental reform. We therefore hope that the government will use its response to this consultation to also set out a clear intention to address broader issues in the current planning system, including:

- **Resource.** Local planning authorities are under resourced and unable to handle the number of planning applications. They have been particularly impacted by the depletion of experienced planning officers, which will take time to rebuild. The introduction of a new accelerated service could risk placing further burdens on already stretched planning teams and the proposal should look to resolve this resourcing issue. We would encourage the government to prioritise adequately resourcing local planning authorities to ensure they are able to robustly determine all applications within the current time limit.
- **Predictability.** A lack of consistency between (and within) local planning authorities has been identified by some of our members as a key issue with the current planning system. The lack of fixed rules and case-by-case approach, according to sets of complex and often contradictory policies and case law, creates uncertainty for developers and investors. We would encourage the government to consider reforms to provide more consistency between decisions made by local planning authorities and therefore enable greater predictability. This could include reforming the structure and objectives of local plans and the introduction of a zonal land use planning system (where land would be zoned either

as development land or non-development land), to provide a simple set of development control rules and give greater certainty to developers on how land can be used.<sup>1</sup>

- **Efficiency.** The process for negotiating Section 106 agreements can be protracted and overly complex. Lengthy Section 106 agreement negotiations are identified to be an important reason for planning application time limits being extended, with agreements often taking longer than 10 weeks to be negotiated. We would encourage government to consider introducing a model for a Section 106 agreement to ensure greater consistency and speed up the process.

These changes would make it easier, more predictable, and more attractive for investors to move forward with development projects in the UK which drive growth and address infrastructure needs. They would also enable investors to more readily access the financing that they need from our industry for their projects and ensure that the UK can compete against other attractive investment opportunities internationally.

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<sup>1</sup> Policy Exchange, 2020, "[Rethinking the Planning System for the 21<sup>st</sup> Century](#)"