



## Built Environment Committee

### Corrected oral evidence: The impact of environmental regulations on development

Tuesday 14 March 2023

10.45 am

[Watch the meeting](#)

Members present: Lord Moylan (The Chair); Lord Berkeley; Lord Best; Lord Carrington of Fulham; Baroness Cohen of Pimlico; Baroness Eaton; Lord Faulkner of Worcester; Lord Goddard of Stockport; Lord Greenhalgh; Lord Mawson.

Evidence Session No. 4

Heard in Public

Questions 31 - 42

### Witnesses

I: Richard Blyth, Head of Policy Practice and Research, Royal Town Planning Institute (RTPI); Carolyn McKenzie, Chair of Environment Board, Association of Directors of Environment, Economy, Planning and Transport (ADEPT).

## Examination of witnesses

Richard Blyth and Carolyn McKenzie.

**Q31 The Chair:** Welcome to this meeting of the Built Environment Committee. This is a further evidence session in our inquiry on the impact of environmental regulation on development. Our witnesses today are Richard Blyth, head of policy at the Royal Town Planning Institute, and Carolyn McKenzie, chair of the environment board at ADEPT, the Association of Directors of Environment, Economy, Planning and Transport.

We have allocated just under an hour to this session, so I ask members of the committee to keep their questions fairly brisk. Could I also ask the witnesses to keep their responses fairly brisk and focused? If something has been said, it will be in the record, so there is no need for the repetition of points. Although you might want to refer back to something you have said, you do not need to repeat it in answer to a question, unless we are being particularly dense and not understanding the point you are making, in which case you might want to repeat it.

Could I ask both of you—decide among yourselves who answers first—how, in your opinion, the complexity of environmental regulation that is administered through the planning system could be reduced while still delivering environmental benefits?

**Richard Blyth:** I think I need to clarify what the environmental regulations in question are. They impinge in two ways: on plan-making, and then on planning applications.

On plan-making, at least a dozen environmental plans have to be taken into account by local planning authorities writing their own local plans. This is in addition now to local nature recovery strategies—strategies which the department is saying must be followed by the writers of local plans; that is an interesting one-way street in terms of influence—the process of strategic environmental appraisal and the habitats regulations inherited from the European Union, which require local authorities to assess their local plans against the impact on the habitats regulations. As you may be aware, that is leading to quite a lot of difficulty in relation to water issues in particular. Finally, hovering over all this is the retained EU law Bill, which it appears will remove all these at the end of the year, so there is also quite a cloud of uncertainty around that cluster of issues.

On planning applications, in which I would also include development consent orders for national infrastructure, we have environmental impact assessments if the scheme is large enough to fall within scope; the habitats regulations, again, but at the project level; and biodiversity net gain, which from October will apply to every planning application, particularly for new housing.

So there is a lot going on. You asked for solutions. In the case of plan-making, we think—

**The Chair:** Sorry to interrupt, but before you give us solutions, what is the problem?

**Richard Blyth:** The problem is that—

**The Chair:** I would like to hear you state the problem; I am not saying that there is not a problem.

**Richard Blyth:** The problem with plan-making is the number of other plans that the plan-makers have to look at, the cost and the time taken to do strategic environmental appraisal and comply with the habitats directive, and the risks associated with political uncertainty around the retained EU law Bill. This is coupled with, in plan-making terms, a very severe fall in the number of people in local authorities who can actually write plans. Planning has taken almost the greatest hit in the whole of local government in terms of resource cuts. In planning, it is plan-making that has by far and away the most serious impact on resourcing.

On planning applications, I think that 72 local authorities are currently facing a moratorium on granting planning permission in certain catchments imposed by Natural England. Estimates suggest that 100,000 houses are held up by this one aspect of the habitats regulations. We also have no idea whether the money currently allocated by the Government to run biodiversity net gain will be sufficient to enable biodiversity management plans to be assessed and agreed for every house in every planning application.

So we have currently a system that is struggling and new burdens being imposed on top of that. It seems that there is quite a lot of difficulty. Should I move on to the solutions?

**The Chair:** Yes, please.

**Richard Blyth:** These are the Royal Town Planning Institute's solutions. We think that a very quick win would be to reduce the complexity and number of environmental plans. We have dozens of them because of our membership of the European Union, so we do not need to have them any longer. We propose a single environment plan for each territory—probably something like a county, but that would vary from place to place—that would synthesise and put into one place everything to do with water, nature, climate and the environment. It would be much easier to consult on that, and there would be much more public involvement. The cost of plan-making would be easier, and everyone would know where to go for the environment.

In relation to strategic environmental appraisal, the Government have proposed a thing called an environmental outcomes report. We know very little about this, despite the fact that it is in primary legislation that has passed the House of Commons and is now before this House. The Government have not published any evidence to suggest why we need environmental outcomes reports, despite the fact that the Bill was introduced into the Commons in May last year. We are still awaiting the

evidence suggesting just how much of a problem there is following the existing system of SEA and EIA. There could well be a problem, but no one has actually seen the evidence to suggest what it is, so we are working in a kind of vacuum.

The RTPI said that any replacement of the EU-inherited system must preserve two minimum requirements. One is the consideration of alternatives to schemes. We have seen for example in the recent Stonehenge planning application how serious it is if you do not consider alternatives. We also need to maintain our obligations under the Aarhus convention to detailed and effective public involvement in environmental decision-making. That is an international treaty which we need to keep our obligations to.

Whatever the Government come up with on environmental outcomes reports, we will be the first to leap on that consultation to see what exactly they propose, and to make sure that our minimum requirements are respected.

**The Chair:** You have referred to dozens of environmental plans applying to a particular authority or location. Could you give us some examples of the environmental plans that you are referring to? I am not particularly aware of them. My local government experience is in London, so that may distort my perspective.

**Richard Blyth:** This just demonstrates the point that the public are supremely unaware of all these plans. Starting with the ones written by the privatised water companies—the water resources management plans and the catchment management plans—they just cover water, and they cover areas that are not necessarily the same as local authorities. We also have air quality management plans and the forthcoming local nature recovery strategies.

If you are on the coast, you multiply all this again, because you have shoreline management plans and marine spatial plans—all of which report to different parts of Defra and cover slightly different territories. They technically involve public consultation, but I am not aware of how deep and enlightened that consultation is. We have seen, particularly in the area of water, how severe the issues with water shortage, water quality and water overabundance are, yet this is all happening in a corner of civil society that most people are not involved with.

**Carolyn McKenzie:** It is interesting to see how much of this chimes with the issues at a county level and for local government. As I see it, the issue—and opportunity—is that the evidence base and the data are very fragmented, so it is difficult to understand and see what is going on at a local level. There are often lots of gaps between what the opportunities and problems might be. This then leads, as you say, to lots of plans that are topic-based or based on a single issue; there is no link across all those different plans. So we are very much in agreement on how we should look at that as a whole and have one plan that links all those issues together.

The difficulty we face at a local level is that if you have myriad plans and a mix of data, not everyone is clear about what their role is or could be, and what the opportunities are. So by having one plan that clearly sets out what the issues are at a local level—they might differ from area to area but would reflect what is happening at the local level—there can be an agreement on who does what, where, and what their roles are, and a much better use of resources. At the minute, I do not believe we have the most effective use of resources across all the different tiers of local government, tiers of government, other parts of the sector and different sectors.

It would also help to develop a strong, sound evidence base that looks at a place-based approach. We can develop those plans but then look at long-term strategic relationships with the different bodies, and then link up the budgets to have more co-ordinated delivery. That would help.

**Q32 The Chair:** Mr Blyth, to what extent are the information requirements of the planning system proportionate to the public benefit aimed at or achieved?

**Richard Blyth:** The Government have suggested in their consultation on the National Planning Policy Framework that the requirement for plans to be justified by evidence should be removed. I was at the other end of this corridor yesterday saying to the levelling-up Select Committee that we are very much opposed to the idea that you can have a local plan that has a profound impact on people—not to mention property rights—without being able to justify why you are doing it.

The need for evidence and justification is not the same as the quantity of evidence. I am concerned, along with other people, about evidence almost being weighed by the kilo rather than being considered in terms of its actual use to help people to make decisions. I am hazarding a guess, but I think one reason why this is happening is in part because of the severe shortage of particularly long-term experienced people in plan-making in local authorities. The temptation is to commission large quantities of evidence and push that forward into the decision-making arena, rather than looking at it very critically and working out what we need to know in order to justify what we are doing.

It is easier to commission a very thick report from a consultant and just put it down as your evidence than to look at it critically and decide which parts of it are necessary and how it forms part of a unified piece of evidence. Some of these environmental impact assessment reports have quite long chapters on each species and different aspects of the environment, and then a chapter on humans at the end. But why is that necessary? For what purpose is that evidence being used in order to support the decision-making process? It may not be necessary to have a quantity of evidence as high as is sometimes put forward, but we need plans that are justified and can explain why people are making the decisions that they are.

**Q33 Lord Berkeley:** In response to your last question, it could be that the

consultants are paid by the page or something. But that is a separate issue.

Local planning authorities, Natural England and the Environment Agency are all involved in this, and probably in the 12 different elements that you mentioned earlier, Mr Blyth. How do they work together? Do they work together, even in Defra? How do you include the related issues? One piece of evidence we heard recently was about water neutrality, which of course affects farmers much more—

**The Chair:** Did you mean nutrient neutrality?

**Lord Berkeley:** Yes, sorry—I have a stinking cold this morning. Nutrient neutrality apparently affects farmers but also has quite an effect on the planning system. Is there any way in which these organisations can be co-ordinated better, or is your one-size-fits-all idea of a new organisation the only solution? I would like answers from both of you, please.

**Carolyn McKenzie:** We do not always see all the communication and liaison that goes on at a local level. There is some between the different organisations at the local level, but it is often focused on individual topics rather than looking across the piece and at where the links are made. We often see that collaboration will come in later down the line, and not in the early stages or at the beginning when we are putting plans or strategies together. It happens more often when we have an issue or a problem and people need to be brought together.

A lot of the time it is down to resources, changing personnel and different relationships. This is very much based on personal relationships. There have been improvements moving forward—I think this is improving now—and there is more working together, but in the past it has been very much about individual aspects.

**Lord Berkeley:** When you talk about the lack of resources, is that in Defra and other departments or in the planning authorities—or both?

**Carolyn McKenzie:** I think it is across the piece, in all the different organisations. People move around in different organisations, so it is difficult to establish the kind of long-term relationship that you can have with an organisation where you can understand where each organisation is coming from. So the lack of resources tends to influence the amount of liaison or co-ordination that you can have.

**Lord Berkeley:** Mr Blyth, will your solution of one organisation doing everything between government and between agencies work?

**Richard Blyth:** No, it is one plan that will be written by the same organisation that will write the local nature recovery strategy, which is a good start. It is certainly not a new organisation; it would be the responsibility of the unitary or county council to do the local environment improvement plan.

On the point about whether everyone works together, I took the opportunity this morning to read the House of Lords land-use committee report, which is extremely interesting in this regard. One of its recommendations, published in December, said that it is disappointing that Defra is planning a land-use strategy that will cover only its own responsibilities, when what is needed is a strategy that covers all of government's responsibilities, particularly those of the levelling-up department. Otherwise, we will possibly end up with a trough between the interests of this committee—housing development, for example—and the interests of the environment.

So we would definitely say that a single land-use strategy should be produced by principal authorities, should encompass the inherited plethora of environmental plans and should be aligned with the local plans in the same area. This would not be a one-way street: the environmental plan is informed by the local plans being written in the same area, so there is sharing and a two-way influence.

**Q34 Lord Faulkner of Worcester:** Thank you for coming. How do central government and the organisations we have talked about—Natural England, the Environment Agency and local planning authorities—contribute to the implementation of the regulations?

**Richard Blyth:** As I said, the role of local planning authorities is currently as follows. If you are writing a plan, you have obligations to take account of strategic environmental assessment. If you are granting planning permission, you must take account of the requirements for environmental impact assessments and biodiversity net gain. So the environmental regulations bite at the point of plan-making or granting planning permission.

**Carolyn McKenzie:** There are other links. When we as ADEPT were involved, through our environment board and its strategic contacts with Defra and Natural England, we contributed to the development of policy and regulations. Sometimes this takes place over quite a short timeframe, so we have to contribute in a limited amount of time, but we are starting to be able to contribute more to the development of policy.

On implementation, from a local perspective, more often than not it tends to be when there is a problem—it is solving those issues as they arise. There is a move to being more proactive, working between authorities and with the strategic agencies on implementation, through things like pilot projects and shared projects of implementation, but it tends to be less like that and more reactive, moving forwards. We mentioned a plan that was clear about each authority's objectives, needs and outcomes. That linkage and partnership, working around implementation, will be much clearer, because roles, responsibilities, the resources that could be contributed and the evidence base for action would be clearer too.

**Lord Faulkner of Worcester:** Would you both take the view that there is room for improvement in co-ordination and working together?

**Carolyn McKenzie:** There is always room for improvement in co-ordination, partnership working and linking across agendas. As my colleague said on working across government departments, that was one of the issues I came across with the land-use framework: we looked at it from a natural environment perspective, but things like renewables also need to be taken into consideration. So there is always room for improvement.

But, to get that improvement, you need to direct organisations on the role they play, why they should get involved and the evidence base for getting involved. Resources are short across the piece and, if people know that their outcomes will be delivered and know how to deliver them, it is much easier to engage with them around a collective set of outcomes.

Q35 **Baroness Eaton:** My background is local government, so I address my question to Ms McKenzie. How do the challenges differ from different local authority structures—districts, counties, unitaries and so on?

**Carolyn McKenzie:** No one size fits all and, as I am sure you are aware, every local authority treats things differently. I am director for environment at Surrey County Council, so I come from a county perspective. The challenges for us are very much about how to make links, and get a strategic view and approach, across a wide enough area to make an impact. With things like the environment, you need a significant scale and you need to look at topic areas across the piece, not just at carbon or biodiversity. Getting that strategic approach requires a lot of co-ordination between a lot of organisations—we have 11 districts in Surrey. So getting that approach and the strategic evidence base is a big challenge at county level.

There is very much a split of roles: we have specific roles and district councils have theirs. Making sure that they dovetail together is really important, or there is a real risk of duplication or people delivering on their strategic roles but not looking at the bigger picture—that is a particular challenge. There is a mix across all local authorities—you often get an urban or rural authority, or a mix of the two—so it is not one size fits all for your plans.

On being able to see the wider picture, bits of Surrey have limited green space and limited ability to have SANGs, whereas other parts do not have that issue. So it is being able to look across the piece and balance the different needs between the areas of the authorities and the area itself.

**Baroness Eaton:** Is there a solution to that?

**Carolyn McKenzie:** Yes, there is. At the risk of sounding like a cracked record, it is basing our activity on evidence and knowing what our evidence is, because not every environmental issue will be the same in every area. So we need to focus on what is important to each specific area, which will help to channel resources. We then need to use that to develop a plan that cuts across sectors, tiers of government and different



organisations, so that everyone's role is clearly defined and we can start to plan for longer than three or five years, because that is a challenge across local government.

I know that we are in a political situation here, but having electoral cycles for things that go on beyond them is a big challenge, especially in areas such as counties, where you might have an election every two years. We have district elections coming up, in another two years we will have county elections, and there will be national elections somewhere in between. So it is about getting that consistency and long-term approach through a plan that is accepted by a range of authorities because it is evidence-based and therefore long-term, and you can start to see a cross-party approach.

We are doing that now with our climate change plan, because climate change is such a big issue. Looking at the issues across Surrey and what we need to do, we are starting to get an approach whereby we can look at the evidence, see what needs doing and start to have a cross-party approach, which gives much more longevity. So there is a solution, but it will never be perfect.

**Q36 Lord Goddard of Stockport:** Good morning. Notwithstanding the enormous list you have just read out about the planning requirements to put a planning application in, what do you think the forthcoming changes to the National Planning Policy Framework might mean for local plan processes and the fulfilment of environmental regulations? It seems to me that the minute this was announced, all local authorities stopped their local plans, because, they asked, what was the point of carrying on with a local plan if there were going to be recommendations?

Perhaps the question itself is whether you think we need a Minister for common sense in planning. Clearly, the left hand and the right hand either do not know what they are doing or do not want to work together—

**The Chair:** If I may say so, we must not answer the question for the witnesses. In that context, before you answer, I would just say that we had evidence—I think last week—from the Home Builders Federation which tried to identify delays to the planning system and lost development opportunities. It attributed the largest cost in housing forgone to the National Planning Policy Framework. I do not know if you have seen its report, which came out last week, but if you wanted to comment on that in answering Lord Goddard's question, that would be helpful to us.

**Richard Blyth:** There are delays being brought about by the changes to national planning policy that were proposed in December. There are also delays being brought about by an incoming recession, and there are, as I mentioned before, very serious delays from the moratorium around nutrient neutrality. Lord Berkeley is absolutely right: there is also water neutrality, which is a different question—

**The Chair:** Yes, it is. We have witnesses on water neutrality and

biodiversity net gain coming in immediately after this, which is why we wanted to put the focus on nutrient neutrality in this session.

**Richard Blyth:** There is no direct relationship between the proposed changes to the NPPF and environmental regulations. In fact, the thing we are concerned about is that we are still waiting for an NPPF that really embraces the climate emergency. The last time the NPPF was thoroughly changed was in 2018, but climate became an important issue for a lot of people in 2019.

The Government's proposed changes to the NPPF do not really address climate issues at all. All we have is a thing called Chapter 12, where the Government say that we probably need to think about the climate sometime in the future. That was not good enough for our members, so yesterday we published a statement on what we think should be done about climate and transport in particular in a forthcoming NPPF, because we have not been asked about it and we think that something should be done. We are not clear on when the Government are going to address the climate emergency in the NPPF.

There is more to the environment than just climate, but that point still stands: the NPPF's recent changes seem to be focused very much on one topic—housing—and have not really addressed the wider issues that should be considered together.

**Carolyn McKenzie:** There is lots of good content and good intent in there, but the devil will be in the detail of the regulations and the guidance that come from it. There needs to be stronger language that is not just about "reflecting" or "having regard" to the priorities, especially on things like local nature recovery strategies and BNG. We need to see much stronger language, like "demonstrate how"—much more active language—when the guidance comes out.

On specific issues like BNG, it is about making the links to things like local nature recovery strategies so that we can ask for BNG in the development. If BNG is not in a place where it is needed in the local area and does not support the creation of new ecological networks, it will not be as much use as if it was linked into a local nature recovery strategy, which will be very evidence-based, looking at local need. So that strong link between the different plans needs to be made to make them as effective as possible.

Q37 **Lord Carrington of Fulham:** I think most of my question has already been answered, so I will change it slightly, if that is all right. What seems to be coming out of all this is that we have a complete muddle—everybody has a finger in the pie but nobody is co-ordinating the way those fingers are stirring the cake mixture, if I can put it like that.

You have mentioned the relationship between local authorities, the planning departments in local authorities, DLUHC and Defra. It seems to me that nobody quite knows who is doing what and everybody is producing plans that overlap, and if they come to the same conclusion, it

is more of a coincidence than it is deliberate. Is that a fair assessment?

**Carolyn McKenzie:** I think it is slightly unfair in some respects. There is a lot of good work and good plans, and there are some good relationships in different areas. The problem is that there is no one who really joins the dots across the piece, and that is where you lose the opportunities and where things can fall between the cracks. At a local level, there are numerous plans, but there is nobody who has an overview of all of them. That is not to say that there is not good work going on; it just needs to be joined up more.

On the conversations between local and national government, through ADEPT we are starting to have some really good conversations with Defra, BEIS and DLUHC, looking at the local priorities and the outcomes that the Government want to achieve. It is about having those outcomes at the top and the local priorities at the bottom that can inform them. Having that longer-term relationship means that there is then an understanding on each side of what needs to be delivered, and it is not all about getting something done within three months or before the end of the financial year. You get a much better product, so to speak. There is lots of good work. It just needs a bit of knitting between it.

**Lord Carrington of Fulham:** Bringing this down to concrete examples—not being a local authority expert myself—rather than talking about structures, it comes down basically to housing. If we are trying to build 300,000 houses a year as a minimum and we have, say, environmental restrictions on building houses in the green belt or because of water supply, or we have a problem with the biodiversity and so on, who co-ordinates these conflicting requirements? We want to build all these houses, but we have all these reasons why we cannot do so. Somebody has to cut through the Gordian knot.

We saw this a bit when the Government started to say that they were going to change the planning regulations so that central government could force housing on to local areas. That got defeated, and now nobody knows who will want to build houses, because if you leave it to local democracy, you will not get it done.

**Richard Blyth:** Can I also say that there is a very serious difficulty in relation to the co-ordination across local authority boundaries? I noticed that your sister committee said: “In bringing forward a replacement for the duty to co-operate, government must ensure that a more coherent and strategic approach to cross-border land use planning” is instituted, but we do not have this.

When Defra piloted the local nature recovery strategies, it did so in every case, I think, in an area that was either unitary already or about to become unitary. I said, “Why do you not pilot them in an area with districts and county together?”, and the department looked at me like it did not know what the question was. So there is a very serious issue around how you have a local nature recovery strategy that covers a whole county and, in Surrey’s case, 11 local plans.

There needs to be much more cross-boundary working. There is the point about whether you are in an area with limited open space and nature resources but a lot of people, or whether you are in another area where you might be quite well endowed with nature. We have seen through Covid, for example, just how valuable it is for people to have access to nature and open space nearby. The distribution of that access is very skewed, so this planning process should be about trying to do something to give more people access to nature. However, that is quite difficult if you come up against the quite high walls of local authority boundaries.

**Lord Carrington of Fulham:** Not to mention central government regulation.

**Carolyn McKenzie:** On that wider approach, if you have an area where you need to achieve a good level of BNG—above 10%, or whatever it might be—but there is no potential to do it in that particular area, it can be delivered elsewhere if you have a wider local “good proximity” approach across the county. If it is linked into a local nature recovery strategy that covers the area, you know that you are getting the achievement of the environmental objective and enabling the development at the same time.

Environment does not have to be a blocker. We just need to look strategically and into the future and see how it can all fit together and where the benefits are as well as the conflicts. Doing short-term planning and not having an area-based approach does not allow you to see where the benefits, the linkages or the compromises that could be taken might be.

**The Chair:** Are we moving to a position where the existing structure of local government, be it unitary or county and district, is simply not geographically and topographically fit for achieving environmental objectives that cover areas—catchment areas for water, for example, or nature reserves that cross boundaries? Are we moving to a position where the local authority structure is simply not a fit instrument for delivering the Government’s objectives?

**Richard Blyth:** I could not possibly comment on local government structure, except to say that where there are two tiers and you have a number of districts, it is very helpful if they work together.

**Carolyn McKenzie:** Obviously, the bigger the area, the better it is to have that strategic approach. You talked about the duty to co-operate across different boundaries, topics or sectors. That is more important, because you could have a bigger area and still not communicate across the different departments. It is more that our intention needs to be to look across the piece rather than to look just at our own different siloes. It is tricky working in a two-tier system. It can be done, but there needs to be direction, and there needs to be an evidence base for why that direction should be taken.

**The Chair:** Our next question is aimed primarily at Mr Blyth, and it

comes from Lady Cohen of Pimlico, who is joining us remotely.

- Q38 **Baroness Cohen of Pimlico:** Good morning. I can see that everybody is trying to put together some kind of solution that will make life a bit easier. Given that we are the Built Environment Committee, we are deeply concerned with the effect that this is having on people who are trying to develop houses, because of the sheer difficulty and uncertainty with which they are faced. It seems to me that the Government's latest shot, called the environmental outcomes report, might have the potential to do something about it. I wonder, Mr Blyth, whether you have a view on how likely environmental outcomes reports are to have any effect. Indeed, where are they at at the moment?

**Richard Blyth:** I do not have a view, I am afraid. As I said earlier, we are still awaiting the evidence that is required. We understand that the department has undertaken the collection of evidence, but it has not published it—yet this is the evidence that you would have expected to see when the Bill was published, saying that the Government think that environmental outcomes reports need to happen.

I am not able to say yet whether they will be an improvement on the current system. Views have been expressed that the difficulty with the current system is more to do with the shortage of people to process the information and the shortage of skills, rather than the structure itself necessarily.

I think we will all have to wait and see what evidence the Government can produce to justify changing the system. Any change comes with expense and potential legal difficulty. Let us see what justification the Government finally come up with for environmental outcomes reports. With the fear of repetition, I will say again that we think there must be a retained consideration of alternatives and a retained role for public involvement at the very least.

**Baroness Cohen of Pimlico:** Is it your view that all of this would be better if we could put more money into planning departments?

**Richard Blyth:** That is essential, yes.

**Baroness Cohen of Pimlico:** We know that they have been a real casualty.

**Richard Blyth:** Indeed they have, particularly in plan making.

**The Chair:** I think we are all agreed that this is not a problem that can be solved by money alone, because the skills cannot be bought off the shelf. People need to be trained, degree courses completed, and so forth, so it is not simply a question of more money.

- Q39 **Lord Best:** My question is about the solutions. We have been picking up bits of this along the way, and now I want to consolidate that. Taking this in reverse order of the way it has emerged today, on Lady Cohen's point that more resources are needed, do you think that the Government's

plans—I think they came out on 28 February—for a 35% increase in planning fees and a number of other ways in which they resource are enough? They are consulting about these suggestions for upping the fees. Is that a good start? Will that crack the problem? Are we on the way to getting things right in terms of the resources for planning?

Then there was the idea that simplification would mean that fewer resources would be required and it would be easier for everybody. Mr Blyth, you said that you wanted one plan but that you did not particularly like the environmental outcomes report idea as yet, because it requires more evidence. However, I thought that the environmental outcomes report did in fact replace a bunch of other stuff and would be part of simplifying this. Could you please explain that important difference?

My third question, which we have not touched on but which came up when we were talking to the Home Builders Federation and others, is the fact that the cost of getting things right environmentally, which is not insignificant, has to come off the price of the land at the end of the day. Something has to give, or extra resource has to be put in, and capturing the land value would be part of that. Do you feel that that is the route to unlocking some of the extra costs that environmental obligations necessarily produce?

**Richard Blyth:** Starting with the first question, the RTPI will respond to the consultation on fees next month. We welcome the fact that the Government have recognised that there is a problem and that it needs a solution. It is a matter of fact that planning fees do not cover the cost of running the planning applications part of the planning system at the moment.

We have yet to do a calculation as to whether increasing the fees would get anywhere near what we could call full cost recovery. This means that the local plan-making part of the system is still entirely unfunded by fees and depends on council tax and the revenue support grant alone, which is under huge pressure, particularly in unitary and county councils.

So on the one hand the Government are saying, "Please produce lots of local plans. Why do you take so long to do that, and why are you behind?", and on the other hand we have a serious question about who is going to do it if there is no dedicated funding for plan making and it has to compete with some very serious issues around education and social services in principal authorities.

On the simplification point, the environmental outcomes reports are designed to replace the European Union system of environmental impact assessment and strategic environmental appraisal only. They are not a plan-making apparatus; they are an assessment-only regime that would apply to assessing a local plan and to assessing a planning application presumably over a certain threshold, as the current system is. That is entirely separate from writing an environmental plan outside the planning system, under the auspices of the Environment Act, to cover water, nature and climate.

So we would propose something that is an extension of the LNRS under the Environment Act that is nothing to do with the planning system legally. We think it is much easier to co-ordinate environmental planning with planning for housing and built development if you have only one thing to co-ordinate with. There could be huge savings in the number of people required to do all this if you only have one of them to do.

**Lord Best:** Is it possible that that will be the outcome of consultation on the NPPF? Might your one-plan proposal fly?

**Richard Blyth:** No, because the NPPF is a levelling-up department question. It is nothing to do with the Environment Act.

**Lord Best:** Oh dear.

**The Chair:** All this marine this and coastline that is coming from Defra, I imagine.

**Lord Best:** Yes, it is all Defra stuff.

**Richard Blyth:** Yes, correct.

Q40 **The Chair:** Could I ask a supplementary question to that? I think it is supplementary.

This is pure ignorance on my part, but returning to the question of environmental outcomes reports—I appreciate that they would replace sustainability appraisals, strategic environmental assessments and environmental impact assessments and are for assessing plans and applications—you say that you want the Government to produce evidence, but what is the evidence at this stage that you want? Evidence of what?

To me, as a simpleton, this sounds like taking three plans in a structure that we have inherited and amalgamating them and rebranding them into a single, perhaps more coherent, plan that we are now free to do as a result of not being a member of the European Union. Of course, what it contains—what you are required to do—needs to be set out, but you have referred several times to evidence, and I am not sure what evidence you are looking for.

**Richard Blyth:** The Government are saying that we need to replace the SEA and the EIA—and possibly the habitats regulations, although I am not quite clear on the last point—on the grounds that they are cumbersome and onerous. I do not dispute the possibility that they are cumbersome and onerous, but I am not clear where the evidence is that they are. That is the basis on which this proposal has been made, and it seems strange to us, first, because the Government have not produced the evidence of this claimed onerousness, and, secondly, because we are still waiting for what they propose to replace the EIA and the SEA with—yet both Houses of Parliament have been asked to agree the replacement of this system kind of sight unseen.

**The Chair:** Oh, we are used to that. There is nothing surprising in that. I

understand.

Richard, I interrupted you.

**Lord Best:** The third question was about land value capture and whether there is redemption under that heading.

**Richard Blyth:** To start with, I perhaps want to push back on the assumption that providing for the environment is a cost. It is not necessarily a cost, particularly if it is thought of early enough in the direction of proposals. One thing that has been particularly irritating to the development industry is the recent tendency for environmental bodies to apparently suddenly come up with matters of severe environmental importance relatively late in the day of the gestation of proposals.

**The Chair:** This is Natural England.

**Richard Blyth:** Yes. Could there not be something a bit like the certificate of immunity from listing, which says that once you have got beyond a particular gateway in the evolution of a proposal, you cannot suddenly discover late in the day that a site is of huge environmental importance, which is very costly to the normal evolution of schemes? I am not entirely sure that in order to meet high environmental standards as a country it should necessarily be regarded as some kind of cost on the system.

As regards using the land price, that is certainly what Defra had in mind when it invented biodiversity net gain. I think there is an implementation problem, in that the way in which land is transferred, particularly from its original use, into an urbanised use is quite a slow process, and applications that are going through the planning system now may well be based on deals that were made on land some time ago. It is quite difficult, in relation to those deals, to go back and say, "Actually, there are now new requirements, so can we go back and buy your land from you for less money than we are currently going to pay you for it?"

Ultimately, there is a way in which the land price can contribute to meeting a whole series of social and environmental objectives, but, in getting from the steady state now to a future state, there are potential stumbling blocks on the way in relation to the actual way in which land is transacted.

**Lord Best:** That is a transitional point, though. That is not an ultimate point. Ultimately, the system could work on that basis: you pay a lot less for the land and you can do the social and the environmental.

**The Chair:** The point is, though, that everything is always in transition, if I may say so. If it was frozen, and if we got to a certain point in environmental legislation where we could say, "Now, this is the system and it's not going to change", over a number of years that point could clearly work. However, if you are constantly in transition, you are constantly in a state of market disruption.



I shall have to make this declaration at some point. I am a member of the board of the Ebbsfleet Development Corporation, which has benefited from Natural England's sudden designation of part of the land in its ownership immediately adjacent to an international railway station as a SSSI. The people from Natural England unfortunately got out at the station on their way to somewhere else. Lord Mawson, would you like to make your declaration of interests for the record?

- Q41 **Lord Mawson:** Yes. My declaration of interest is that I work with organisations including Barratt Developments plc, Istock plc, the NHS and, interestingly enough, Surrey County Council and the integrated care system in Surrey. I have found this a really fascinating conversation. Actually, Carolyn, on the questions you have raised about the fragmentation and dysfunctionality of so many of these systems—this is why I declared my interests, in part—in Surrey we are working on how to bring all these things together and build these kinds of relationships between people. In my experience, the environment is not a separate thing; it is connected to a whole range of other things.

My question is about the problems of meeting environmental regulation and what the solutions are. However, in light of what I am saying, what are the solutions for bringing whole systems together? What work have you done in that space? You might not be aware of everything that is happening in Surrey—I get that; it is a big place.

**Carolyn McKenzie:** On the work that we are doing at the minute, absolutely, if you work in environment for a fair amount of time, you know that there is not a lot of funding, so you have to make sure that whatever you are proposing has other benefits—co-benefits. Identifying the co-benefits and what it means for health, congestion and the economy is the way to approach this.

One of the ways in which we are approaching that in Surrey is by looking at a land use management framework that looks at all the different uses of land and what environmental outcomes can come out of it, so that we can get a consistency of approach—that is, you can do this over here, this over there, or all of that over there, but you can just do this thing over here—and then use the evidence base to attract the investment and finance. That also brings people together, and it brings the health sector and other sectors together to work collectively on delivery. That would be one of my other points.

You talked about cost. If things like biodiversity net gain are seen in the context of the local nature recovery strategy, you can work with developers as businesses, not just as a developer. One of the conversations we had at a recent developers' meeting in Surrey was about how we link up environmental social agendas and corporate social agendas to bring those different objectives and outcomes together in order to deliver more. That is more the approach that I will be pushing for now, because there is limited investment available.

**The Chair:** Mr Blyth—very briefly, as our time is up—do you want to

respond to that?

**Richard Blyth:** No, I have nothing to add.

- Q42 **The Chair:** May I ask one final question? I am taking advantage of the fact that we are just a hair's width away from our time being up. It seems to me that there is likely to be development that has been forgone or delayed as a result of additional barriers, expense and so forth arising from the regime that you have described and the prospective parts of it. Have either of you, or your organisations, made any estimate of how much development—how many houses—has been forgone as a result of this, in the way that the Home Builders Federation estimates that there will be fewer homes as a result of a particular policy initiative and so on?

**Richard Blyth:** I have looked very carefully at what the HBF has been doing on nutrient neutrality and have no reason to query its conclusions in respect of that specific train of moratoriums that have come out of the 2018 European court judgment. I am not really clear what the question might relate to in terms of the generality of environmental regulations, because there is a whole series of different ones. We have the water framework directive, the habitats directive—it will be a big job, which we certainly have not undertaken, to evaluate each one of them separately. Coming back to this problem of the plethora, the difficulty is that they all interweave.

One reason for moving to a unified environmental planning system is that it would be a bit easier to work out how it is all working together. We would have the water framework directive overlaying with the soils directive, the birds directive and the habitats directive—they would all be coming at the system from different angles. Even as an assessment challenge, that would be quite an achievement.

**The Chair:** Thank you very much. We are all very grateful to both of you for your time. We are very open to any subsequent written evidence you would like to send us. You have already mentioned the fact that the RTPI will publish its response to the consultation on planning fees. We would very much like to receive that as part of our formal evidence base when you have published it. It would be extremely valuable if either of you could send afterwards in writing anything that you feel you have not told us or had the opportunity to tell us today, or anything to supplement what you have said. That would become part of our evidence base for when we come to write our report. As I say, we are very grateful.