



Communities and Local Government Committee

Oral evidence: Operation of the National Planning Policy Framework, HC 190

Monday 8 September 2014

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Written evidence from witnesses:

Panel 1 (Questions 581-664)

[Campaign to Protect Rural England](#)

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Watch the session

Members present: Mr Clive Betts (Chair); Bob Blackman; Simon Danczuk; David Heyes; Mark Pawsey; John Pugh; John Stevenson; and Chris Williamson.

Panel 1 Questions [581-664]

Witnesses: **Neil Sinden**, Director of Policy and Campaigns, Campaign to Protect Rural England, and **Nicola Walker**, Director of Business Environment, Confederation of British Industry, gave evidence.

Chair: Welcome to our eighth evidence session in an inquiry into the operation of the National Planning Policy Framework. Before we begin, I will get members of the Committee to put on record the interests they need to declare. I am a vice-president of the Local Government Association.

David Heyes: I employ two councillors on my staff team.

Chris Williamson: I have two elected members on my staff team.

Simon Danczuk: My wife is a councillor and some staff in my office are councillors.

Mark Pawsey: A member of my staff is a councillor.

John Pugh: I have two elected members on my payroll.

Chair: That gets us on the record. Now for our witnesses: for the sake of our records, could you both say who you are and the organisation you represent?

Nicola Walker: I am Nicola Walker, acting director of business environment policy at the Confederation of British Industry.

Neil Sinden: I am Neil Sinden, policy and campaigns director at the Campaign to Protect Rural England.

Q581 Chair: To begin with, one of the key issues is that local plans are very much seen as the heart of the planning process and at the heart of the NPPF. Clearly from the figures, despite the NPPF being there for two years, and local plans having been around for a lot longer, there is still a slowness in local councils adopting local plans. What in your view can be done to speed that up? What is the major reason why councils are being dilatory, if that is what they are being?

Nicola Walker: Firstly, there is a slight confusion over the numbers, which has not helped the debate. There is a lot of confusion as to whether you count local plans pre or post-NPPF, which perhaps has not helped in terms of clarifying the picture. A lot of local authorities have tried their best to comply. The presumption in favour of sustainable development and everything that the NPPF seeks to establish in terms of promoting a pro-growth approach has actually been a good incentive to help local authorities, but this approach does take time. Some of the incentives that are starting to be put in place—for example, the New Homes Bonus—are things that can help local authorities and can incentivise them. However, you are right that progress is far too slow. From a business perspective, a lot of businesses that we talk to have been very keen to try to engage productively with local authorities, either directly or through their LEPs, in order to help the local plan process, but it remains painfully slow.

Neil Sinden: I certainly agree with Nicola that there is some confusion over the figures. Research we published today, however, tries to pin this down, and finds that something like 17.6% of plans—only 17.6% of plans—out of something like 50 or 60 plans, have been approved since the NPPF was adopted two years ago. Further than that, the evidence suggests that the rate of local plan adoption is slowing down rather than speeding up, which is of considerable concern.

Our estimate is that by May next year we are unlikely to see much more than two-thirds of local authorities with what you might call up-to-date local plans in place. That does not mean necessarily post-NPPF plans, but reasonably up-to-date plans. That is a situation of some concern to CPRE, given our strong support for the plan-led system. It should be of concern to the business sector, which I think also supports very strongly a plan-led system.

In terms of the reasons for delays in adoption and the declining rate of adoption, our evidence is increasingly showing that serious problems are being caused by the emergence of planning by appeal, concerns and questions over the way in which five-year land supply figures are calculated, and the lack of a strategic framework—the lack of the ability of local authorities to effectively work across boundaries to come to sensible solutions about where development should be accommodated. That is a serious concern.

In summary, we would say that, rather than having made it easier, the NPPF has made it far harder for local plans to be put in place. So whatever the rhetoric is around the Government's support for a plan-led system, I am afraid that the policy framework is not helping deliver that.

Q582 Chair: So you are saying it is harder.

Neil Sinden: Much harder.

Q583 Chair: Can you think of one or two examples of why the NPPF has made it hard?

Neil Sinden: Again, we published today some research on the construction of the five-year land supply figures. There are numerous examples in the research that we published that demonstrate that local authorities have had plans declared unsound by the inspectorate as a result of appeal decisions—either within their area or outside their area—and have had to withdraw plans, or have chosen to withdraw plans in the light of emerging case law from other parts of the country around planning decisions for new housing. That is just setting back the process. There are also budgetary constraints, of course, which you will all be very familiar with. I know that the CBI have, in their written evidence, put in some stats around the cuts to local authority planning departments, which undoubtedly are not making life any easier.

Q584 Chair: Just in terms of the calculation of housing need, I have seen examples as well where plans have got to the stage where the inspector considers them and he sends them back because he does not

agree with the calculations. Are you saying that it would be more helpful if somebody central, either the DCLG or the Planning Inspectorate, were to lay down some methodology that local authorities should follow, or if there were at least some guidance that might lead them in the right direction, rather than getting to the end before it is sent back to them to think again?

Neil Sinden: Undoubtedly. We were hopeful that the planning practice guidance that was published earlier this year would help in addressing that problem: if you like, the lack of clarity around how objectively assessed housing needs and five-year land supply requirements need to be calculated as part of the local plan process. The famous judgment, *Hunston*, makes it very clear that the brevity, if you like, of both the NPPF and the planning practice guidance around how to go about that process is making life very hard for local authorities. There is undoubtedly a need for more guidance. Clearly, the issue is what that guidance should say, and how it should address the realities of the situation that local authorities up and down the country are increasingly grappling with.

Chair: Nicola, how do you respond to that?

Nicola Walker: We would certainly support that. I think a more iterative approach is one that could be very helpful. The idea that you get to the end of producing your plan and then it is sent back and you have wasted a year or 18 months is crazy, to be perfectly frank. An iterative approach would be helpful. Better guidance from DCLG would certainly be helpful, and, indeed, from the planning inspectorate directly as well.

Q585 Chair: In your evidence, Nicola, you say that having a five-year housing supply that is robust is very important, but some of the evidence we have had from local communities, community groups and parish councils is that that is fine, but the reality is that there is not a local plan. Developers come in and, as one piece of evidence to us has said, “put our communities under siege.” They are just picking off every available site and putting applications in individually. Is that a proper process to have done to you as a local community?

Nicola Walker: This is where it comes back to the importance of the presumption in favour of sustainable development. We support development that is sustainable and that ticks all the boxes in terms of economic, environmental and social impact. Certainly, I would not suggest that the current approach is something whereby communities would feel as though housing is something that is done to them. Certainly, the NPPF should be incentivising a conversation between local authorities, local businesses and local communities about housing need in their area. That is what it is set up to do. Where the local plan

is not in place, then that presumption in favour of sustainable development should help to balance those needs.

Q586 Chair: We had a speed-dating session with lots of local community reps last week, and the point some of us were making was that these applications were not sustainable because there was not the infrastructure in place or whatever, but they still got through. Do you think there ought to be a presumption, and the developer can show that the development they are applying for is sustainable?

Nicola Walker: This comes back to the incentive for local authorities. There should be a local plan in place.

Q587 Chair: I know there should be, but if there is not and an application is made, the presumption in favour of sustainable development is there. Do you think the developer ought to have to show that the development they are applying for is sustainable?

Nicola Walker: That is for the planning authority to determine. The developer will put forward their case. Whether or not that is a case for sustainable development is something that will be determined by the planning authority.

Neil Sinden: If I may come in on that, there is no doubt in CPRE's mind that the presumption in favour of sustainable development is flawed and is of very little assistance in getting the right decisions out of the planning process about meeting appropriate development needs in the most sustainable locations. That is a concern we have.

We are also concerned about the way in which the onus and burden of proof is very much on local authorities as opposed to developers. Given that the planning system is there to deliver what we would like to see as the public interest in the development and use of land, the balance is all wrong. We are seeing now the planning system increasingly driven by the interests of developers and business. Nobody is saying that we do not need to meet our desperate need for many more new homes in this country, or that we do not need to rise to the challenges faced by the economic climate we find ourselves in, but the point is that the planning system has a role to play on a broader canvas than simply responding to the interests of private developers, whether they be business or housing developers.

Q588 Chair: There is slight difference of opinion, but you are both saying to us that, in terms of the five-year housing supply, it is important to get to that point of the authorities having a five-year supply plan for

housing. What we need is a methodology that means we can be more certain that you have a really robust figure when you get to it.

Neil Sinden: Yes, we do need a methodology, but it comes back to the point I made a moment ago, which is that we need the right methodology. There is a lot of detail to be discussed around how you carry out those calculations. The evidence that we have scrutinised over the past few months and published today in this research tells us very clearly that we have a system—a methodology—that has been pieced together as a result of a number of different appeal decisions in different parts of the country, and a number of different legal judgments, in the absence of clarity in the NPPF and the planning practice guidance. It is actually a methodology that takes us into the realms of fantasy when it comes to genuinely meeting the housing needs of this nation in the right way.

The objectively assessed housing needs methodology as a process ignores some critical considerations. It ignores market considerations in terms of the capacity of the house-building sector to actually raise its game in terms of delivery. It is worth pointing out—I am sure you are familiar with this—the fact that the private housing-building sector has only ever built between 150,000 and 200,000 homes a year. More often than not, it has been closer to the 150,000 figure over the past 20 to 30 years. Where we have built substantially more than 200,000 homes a year, which many people say is what we need to be building, we have had a significant chunk of that housing provision provided through state subsidy. That is an important fact to bear in mind. Market realities are not being taken account of.

Social realities are not being taken account of in terms of the desperate need for affordable homes. The fact is that the vast majority of people in housing need are unable to access their housing needs through the market. The calculations are not taking that into account.

Finally, of course, from a CPRE perspective—this is particularly important for us—is the fact that the objectively-assessed housing needs methodology is failing to take account of environmental realities in terms of making better use of brownfield land in appropriate locations and avoiding areas of landscape importance.

Q589 Chair: We will come on to that. You basically accept, Nicola, do you that, on the methodology, we need to get it right and it is not right at present?

Nicola Walker: We do need to get it right. Savills has done an awful lot of work about the disparity between the assumptions that are made in a lot of the local plans that have been submitted and the actual reality of the calculations. I also think it is incredibly difficult to

disaggregate the impact of the five-year housing supply and the impact of the NPPF from other market conditions, as Neil said. We have had the introduction of things like Help to Buy. We have had a greater release of public sector land for housing. We have been through some very testing economic times. It is quite difficult to disaggregate the impact of the NPPF from some of those other market conditions.

Q590 Bob Blackman: Both of you appear to agree that the duty to cooperate is not working. What would you do about it?

Nicola Walker: I alluded to the role of incentives such as the New Homes Bonus. There are financial levers that Government has at its disposal to try to incentivise that kind of activity. The idea of pooling some of those financial incentives in order to pay for infrastructure, the decisions for which need to be taken at a higher than local level, should be a good incentive. However, to be perfectly frank, at the moment the duty to cooperate works incredibly well in some places and where it does not, there is no real backstop. It is certainly something that we would like to see Government come back to and look again at in terms of how you might better incentivise.

Q591 Bob Blackman: I do not want to put words in your mouth, but your view is: greater incentives to cooperate.

Nicola Walker: Yes, absolutely.

Bob Blackman: Not any other draconian measures.

Nicola Walker: As I say, at the moment, there is a focus on incentivising, rather than having a backstop for poor performance. We would certainly be interested in exploring both avenues.

Neil Sinden: CPRE would support the use of incentives to get local authorities to collaborate more effectively together. We are interested in the idea of joint local plans. We know that this is being pursued in some parts of the country, such as Northamptonshire, although I believe that recent funding cuts mean that there are some doubts over the future of the joint planning unit up there. I think joint local plans are an interesting idea, where they are sensible. CPRE has concerns about local economic partnerships—about the lack of transparency, the business-driven nature of LEPs and the extent to which they should or should not have greater input into the planning process. But reformed LEPs and more democratic LEPs, with a wider remit embracing a genuine commitment to sustainable development, may well be somewhere to look for a solution to this problem.

Q592 Bob Blackman: But if local authorities just will not cooperate, what do you do?

Neil Sinden: It is a very difficult question to answer. I do not think anyone would advocate the reintroduction of regional spatial strategies, but actually—

Bob Blackman: Funnily enough, last week, several people were advocating exactly that.

Neil Sinden: CPRE had concerns about the way in which regional strategies were developed but, in retrospect, they were a reasonably good way of tackling some of the cross-boundary issues that the current system that we are in does not appear to be able to deal with.

Q593 Bob Blackman: In your written evidence, you both refer to combined authorities. What happens when there are no combined authorities in place and other such services?

Neil Sinden: I did not catch all the question, but certainly, combined authorities preparing joint local plans across a broad geographic area is a potential solution.

Bob Blackman: But where there are no combined authorities—there is no interaction between them—what do you do?

Neil Sinden: Good question. I think maybe it requires a slightly more muscular intervention from Government—from CLG—to encourage authorities that have common problems—

Q594 Bob Blackman: I do not want to put words in your mouth, but would you see Government intervening to make this happen, rather than just incentives?

Neil Sinden: Yes. Clearly, the local approach has got to work and there were some significant birth pangs in the emergence of regional planning in the early years, when local authorities were not used to collaborating and largely unwilling to collaborate. But, over the years, that process got better. I suppose the point to make there is that there are no quick-fix solutions to this effective lack of strategic planning that we are confronting at the moment.

Q595 Bob Blackman: We have heard from CPRE that they do not think that the current form of LEPs should be involved in planning this way. What is the CBI's position on the role of LEPs?

Nicola Walker: We actually believe that LEPs do have a role to play in terms of input into local plans. Quite often they can provide a perhaps higher perspective in terms of bringing local authorities

together and better articulating the business need for certain areas. With a lot of LEPs, where they work well, they work very well, and the strategic economic plans that they put in place can actually be really helpful in terms of feeding into what local plans might want to consider. Where they are not working so well, it is a real problem, and unfortunately LEPs have been involved on a case-by-case basis. There is no blanket approach here; LEPs have been involved as and when. It varies greatly across the country.

Q596 Bob Blackman: One of the concerns, obviously, is that LEPs are there to promote growth, business, jobs and opportunities, but there is possibly a lack of local involvement, and therefore this would be overriding the issues of local people. How would you answer that particular challenge?

Nicola Walker: I do not think it is overriding. I think LEPs are there to provide pro-growth input, and some of the research and analysis they have done in terms of what is required of local areas can be very helpful in terms of creating better local plans. This is not to say that LEPs should be writing the local plans themselves; this is something that has to be a joint collaborative effort. But, certainly, LEPs have a role to play.

Neil Sinden: Without significant reform, it would not be right for LEPs to have a greater role in planning than they currently do.

Q597 Bob Blackman: Can I be clear what specific reforms you would want to see?

Neil Sinden: Greater transparency and more democratic involvement; more local authority representation.

Q598 Bob Blackman: Do you think people should be elected to serve on a LEP, because clearly that is not the structure that we have at all?

Neil Sinden: No, that is quite right, and that takes me beyond where CPRE is on this particular agenda. The point I wanted to make is that the very problems we have with unrealistic and excessive housing land requirements in the current system would only be exacerbated if LEPs were to be given more power in that part of the planning process. The massively inflated jobs aspirations that some LEPs have, which to some extent, in some parts of the country such as Oxfordshire, are driving excessive housing requirements, would become much more of a common problem, and would take us even further away from a sensible approach to planning to meet the nation's housing needs than we are at the moment.

Q599 Simon Danczuk: Neil, official figures show that there has been little change to the size of the green belt over the past eight years. Are you exaggerating the scale of the threat to the green belt?

Neil Sinden: We do not think we are. As there is confusion around the rate of local plan adoption and so on, there is a huge amount of confusion around what is actually happening to green belt land at the moment. What we would say very clearly is that not only is the NPPF failing in putting in place a system that enables local plans to be adopted more quickly, but it is also failing to protect green belt land.

Q600 Simon Danczuk: On that, Neil, the Department for Communities and Local Government figures suggest that the size of the green belt in England has remained relatively constant over recent years, with a fall of 0.02% between 2011-12 and 2012-13. So it is not really changing at all, is it?

Neil Sinden: Two immediate reactions to the comment: one is that there is a lot of detail below that top-level statement. That means that when you take into account additions to the green belt, as well as deletions to the green belt, you are seeing a changing location of green belt, which is hidden by those figures.

Q601 Simon Danczuk: But that does not matter, does it?

Neil Sinden: It does hugely, because what matters more than anything about green belt policy is not so much how much there is, but where it is.

Q602 Simon Danczuk: It should all be in the south of England, should it?

Neil Sinden: No, not by any means. The constant relaxation of inner green belt boundaries around some of our major towns and cities is undermining the effective operation of the policy. Pre-2010, in 2009, an analysis that we carried out of regional plans suggested that something like 147,000 homes were planned on what was currently green belt land at that time. In March this year—two years after the introduction of the NPPF—the equivalent figure was 188,000 homes planned in what is currently green belt.

Q603 Simon Danczuk: But you accept that green belt, in terms of the acreage, just is not really reducing. Do you accept that?

Neil Sinden: No.

Q604 Simon Danczuk: You think it is reducing?

Neil Sinden: The official figures are two years out of date. What we are talking about there are plans for, as I say—

Q605 Simon Danczuk: I do not want to talk about plans, though. How much green belt have we lost over the last eight years, do you think?

Neil Sinden: We will lose, over the next five years—

Q606 Simon Danczuk: No, how much have we lost? I do not want to talk about what might or might not happen. How much have we lost? You are disputing the DCLG's figures. How much do you think we have lost over the last eight years?

Neil Sinden: I cannot answer that question.

Q607 Simon Danczuk: You do not know.

Neil Sinden: We will lose enough green belt land to accommodate 200,000 homes over the next five years.

Q608 Simon Danczuk: No, I do not want you to speculate. If you cannot tell me what has gone before, you certainly cannot tell me what is going to happen in the future.

Neil Sinden: The other complication that I was going to add about the green belt calculations is that that—

Q609 Simon Danczuk: Let me come on to my next question. The chief executive of the National Trust told us that small adjustments to the green belt made as part of the local plan are okay. Do you agree with that?

Neil Sinden: Yes, but 188,000 or 200,000-plus are not small adjustments.

Q610 Simon Danczuk: Nicola, does the CBI favour a review of the green belt?

Nicola Walker: What we have said is that we think local authorities should be looking again at green belt land of low environmental quality. We agree that the NPPF's brownfield first is the right approach to have, but quite often some of these brownfield sites are incredibly expensive to develop, and there is quite a significant amount of land within greenfield-designated areas that could potentially be deemed low environmental quality and could be set aside for

development. We would be very supportive of the Government looking again at current green belt designation.

Q611 Simon Danczuk: So you think there should be a review.

Nicola Walker: Yes.

Q612 Simon Danczuk: Do you think there should be a review, Neil?

Neil Sinden: A review of?

Simon Danczuk: Of green belt.

Neil Sinden: Reviews of green belt are going on up and down the country as we speak, as I say, and they are resulting in plans for massive housing development on what is currently green belt land. The reason why CLG are able to use those stats is because land is taken out of the green belt before it is developed, and sometimes it is added on to at the outer edge, so that the overall outcome is the same amount of green belt land.

The point I am making is that the most important bit of the green belt is the boundary around the existing urban edge, because that is what is preventing urban sprawl; that is what is promoting urban regeneration; that is what is protecting the character and setting of historic towns. All of the purposes of the green belt are served by those inner boundaries, and they are only meant to be reviewed on a 25 or 30-year basis. They are meant to be permanent, generally speaking, and deletions to the green belt are meant only to be carried out in exceptional circumstances. I am afraid that these exceptional circumstances are no longer exceptional.

Q613 Simon Danczuk: Perhaps things need to change, Neil; nothing stays still. I am going to hand over to Mark next in terms of brownfield but, just to link into that, you talk about brownfield sites being expensive to remediate, which is true in terms of if you are going to build on them, but if you were to remediate them just to create, say, a wild flower meadow, then it would be very inexpensive. The North-West has probably more brownfield sites than anywhere in the country. Why not just remediate those brownfield sites in the north of England to create greenfields, and build on the green belt in the south of England where there is a greater demand?

Nicola Walker: Certainly, that is a question that a review of green belt would seek to answer.

Q614 Simon Danczuk: Yes. What do you say to that suggestion?

Neil Sinden: I think that would be politically a very interesting solution to promote. It would fail to address the serious regional imbalances we have in terms of growth pressures. Certainly we can make better use of brownfield land in the north, not just to accommodate development, but also to improve the environment. There is a lot in that argument. The most important thing about green belt in southern parts of the country is that it is under threat as it never has been before and it is more important that we retain the green belt than it ever has been, because of its role in managing urban pressures.

Q615 Mark Pawsey: You touched on the issue I want to raise, which is that of brownfield land. When we come to do our report, we are going to have to say where we think the NPPF needs changing. There is a clear division between both of your organisations on the issue of brownfield land. Neil, your organisation is saying that there needs to be some change there. Nicola, your organisation is saying that the brownfield first policy contained in the NPPF is perfectly satisfactory. Neil, can I invite you to make the case for a strengthening of the policy? How would you like to see it strengthened? I wonder, Nicola, if you then would like to demolish his argument.

Neil Sinden: I will try my best. I would first of all take issue with the suggestion that there is a brownfield first approach in the NPPF. That is far from the case. CPRE, along with a whole range of other organisations, pressed very hard to get the draft NPPF amended to place greater recognition on the importance of brownfield land. We succeeded in that in that the NPPF does actually talk about the desirability of redeveloping brownfield land, but the suggestion that there is a sequential approach—i.e. a brownfield first approach, use brownfields before greenfields—is far from the truth.

There are appeal cases up and down the country that demonstrate that. Two that spring to mind are appeals in north-east Lincolnshire and in Salford in the north, where the inspector quite clearly says that the NPPF does not have a brownfield first approach. Therefore, what the local authorities were trying to do in those circumstances—i.e. to focus investment on brownfield land—was not acceptable or supported by the policy.

So we need a strengthening of brownfield policy. The problem we have is that we have limited up-to-date data. Again, it is a bit like the green belt issue. We have limited up-to-date data at the national level on how much brownfield land exists, where it is and how much of it is viable and appropriate for housing development. DCLG is far less active in getting returns from local authorities about how much brownfield land they have within their areas, and has not published anything since

2011 about the extent of brownfield land. CPRE is trying to fill that gap by carrying out its own research. We are publishing it later on this year. Emerging findings suggest that, if anything, the amount of brownfield land available and viable for housing has grown over the past few years enough to accommodate 1.5 million homes at standard densities, and that much of the green belt land exists in areas of housing stress in the South-East, eastern regions and the South-West.

We do absolutely need to be making better use of brownfield land before we go on to greenfield sites. We can deal with the land of environmental value that Nicola talks about—the brownfield land of environmental value—which probably constitutes between 5% and 8% of the overall brownfield total, by mapping those sites, and ensuring that where development is being proposed on those sites, we know what the potential impact might be on biodiversity and on wildlife. We plan to mitigate the impacts of development on that environmental value in pursuing those proposals.

Q616 Mark Pawsey: Nicola, Neil's case seems to be that there are words about brownfield first in the NPPF, but they are simply words and, in practice, they are being ignored. What is your case?

Nicola Walker: I would not agree with that. I would start by saying that Neil is right; it is important to get a clear sense of exactly what we are talking about here, in terms of statistics. The statistics are fairly poor, and it is quite difficult to get a clear sense of the extent to which brownfield sites are there for development. I would say, though, that the NPPF is quite clear in terms of saying brownfield sites should be prioritised; they should be developed as a matter of priority, and I would also say that it is up to local authorities to bring forward land that is likely to be developed, and if they bring forward brownfield sites that are economically unviable to be developed, they will not get developed and development will not happen. I think there is a broader discussion to be had, as I said earlier, about bringing forward some greenbelt land into the low environmental quality green belt land, and having a more sensible discussion about what can and cannot be developed. In terms of brownfield sites, I think the NPPF is quite clear, and I think local authorities should be following that advice.

Q617 Mark Pawsey: Neil has told us of cases where the inspectors have allowed development on greenfield sites adjacent to brownfield land because of the viability test. Are you able to tell us of cases where developers have gone the extra mile to make certain that the brownfield land gets developed before putting in applications for greenfield?

Nicola Walker: I would certainly be very happy to go out to my members to get you some cases that demonstrate that.

Q618 Mark Pawsey: Neil, you seem very keen on targets. We have a Government that does not like targets and wants everything dealt with on its merits, but you are very keen on intervening with setting targets for percentages of brownfield land that should be developed first.

Neil Sinden: That has been an important part of the brownfield first approach in the past. Clearly, the Government does not like national targets, and there is some merit in that argument, because there is a risk that national targets become applied locally, regardless of local circumstances. However, I think they would be supportive of local brownfield targets, and I think much greater encouragement should be given to local authorities to adopt local brownfield targets in their local plans, taking account of local circumstances, but ultimately with a view to ensuring that the sequential approach to developing land takes place.

Q619 Mark Pawsey: Simon raised the issue of remediation. Is your case that if there is a brownfield site that may be massively expensive to remediate, and a greenfield site adjacent and substantial demand for housing, that that brownfield site has got to be developed, whatever happens? Who is going to pay the cost of clean-up? Where does that money come from?

Neil Sinden: There are big questions there. There are ways in which the private sector can be encouraged to invest more in brownfield remediation. Certainly, there is a need for financial incentives from Government. We were very pleased to hear the Chancellor talk about a new emphasis on brownfield in his Mansion House speech a few months ago. That is a very welcome step forward, and we are discussing with CLG what that might mean in practice. We hope that will mean extra public subsidy to unlock some of the difficult sites.

Q620 Mark Pawsey: Where is the money going to come from, Neil? Local authorities are pressed for cash. Are we going to put taxes up, so that we can get brownfield land built on before we meet the need for families and people retiring to have somewhere to live?

Neil Sinden: It needs to come from the Exchequer. I do not think it needs to be a huge call on the public purse, but I think the benefits in terms of reducing the cost to the Exchequer of failing to meet housing needs, of failing to plan and use and develop our limited land resource in a sensible and sustainable way, will be much greater than the immediate short-term costs of sorting out those sites.

Q621 Chair: Just to follow up, you mentioned the word “viable”, Neil, and Nicola mentioned it as well, in terms of brownfield sites. Is this not one of the problems? Certainly, it is a problem with the local planning in my own authority, Sheffield. It has been a problem in Rotherham, Leeds, Salford, and in other places. We had it on our trip; Forest of Dean came to give evidence, and made exactly the same point, which was that brownfield sites that would have been considered to be properly developable, viable and deliverable pre-crash, and might well be deliverable and viable in three or four years’ time, are not now at the point when the local plans are being drawn up. So we end up for five years getting more greenfield put into the local plan to make the numbers up, and brownfield has been excluded, but actually, by the time we get around to people considering building that number of houses, they probably would be viable. Is there not something flawed in that process?

Neil Sinden: We think that is one of the key flaws in the current approach to five-year land supply calculations: the overemphasis on immediate viability and deliverability now, in a period where market conditions are not particularly good for dealing with brownfield regeneration. The other problem with five-year land supply calculations is in relation to the way in which local authorities are being required to plan for the shortfall of homes—i.e. the amount of homes that were not provided over the period since the crash until now—in their future housing land calculations.

For example, in a place like Horsham in Sussex, there was a shortfall of around about 2,500 homes over the last seven years, after the crash, and the council reckons that it needs to accommodate something like 3,200 homes over the next five years. As a result of the NPPF, it is required to add the 2.7 to the 3.2, with a 5% buffer added on top of that—i.e. to accommodate something like 1,200 homes over the next five years—which would be equivalent to three times the amount of annual housing output that was achieved in pre-crash times. Those calculations illustrate, in terms of your viability point, that as market conditions change, and therefore change the calculations around viability, so do market conditions change the annual rates of housing output to mean that now local authorities like Horsham are being required to plan for housing levels that they never achieved in the past, even in the boom years. I just wanted to throw that in as another aspect: alongside the viability and deliverability issue, the issue of planning for past shortfalls is resulting in some really quite ridiculous housing levels being proposed in local plans at the local level.

Nicola Walker: I think that has to be balanced against the numbers that we are talking about in terms of new household formation. We are talking about 337,000 new households by the end of the next

Parliament, and all three main parties have talked about a level of ambition that would mean 200,000-plus homes a year. We have to balance that against what we are talking about here, which is whether you set aside a five-year land supply or whether you go beyond that, to be honest. I think we should be encouraging local authorities to be even more ambitious; not necessarily saying that what they are currently proposing is undeliverable.

Q622 John Pugh: I want to change focus to out-of-town development. Now, Nicola, in the CBI submissions, there is this lovely expression—"sustainable out-of-town development"—which leads me to wonder what non-sustainable out-of-town development looks like, because quite clearly all out-of-town development has certain aspects that we possibly regret: the greater journeys people are making for their retail requirements, more pollution, and so on. What does non-sustainable out-of-town development look like from the point of view of the CBI?

Nicola Walker: Certainly non-sustainable out-of-town development would be out-of-town development that does not have the required infrastructure there to sustain it.

Q623 John Pugh: Nobody does that sort of development, do they?

Nicola Walker: One would hope not, and certainly, that is what the NPPF is there to stop.

Q624 John Pugh: That kind of non-sustainable development without infrastructure is not anything anybody would anticipate building. You would not build out-of-town developments that nobody could actually get to, and it would not be there for long anyway, so you are really not excluding very much. What I am trying to tease you into doing is to define what is acceptable out-of-town development from the point of view of the CBI, and what is not acceptable.

Nicola Walker: We were also very clear that we supported the "town centre first" approach, and that actually there will be certain developments that are perhaps not appropriate for a town centre. In that case, it is only right that an out-of-town location is sought.

Q625 John Pugh: Do you think, within the current planning guidance, there is enough protection given to the town centre?

Nicola Walker: As I say, certainly, there is a clear town centre first approach. I think there is probably more that could be done to think of other levers that local authorities could pull—for example, the role of

business rates in making investment in town centres more attractive. There is a more holistic approach that perhaps needs to be taken. There are plenty of town centres that have not been particularly successful in terms of regeneration, and we would not keep having successive reviews if that were the case.

Q626 John Pugh: I put it to you that the CBI is slightly biased, because presumably, most of your members are big retailers. There are not that many small and independent retailers who are going to be affected.

Nicola Walker: Actually, we have an awful lot of small, independent retailers as well. We represent 190,000 businesses. We do not just represent large retailers.

Q627 John Pugh: So it is not just the Marks & Spencers and the people that can build at scale outside the town centre?

Nicola Walker: We represent a wide range of businesses.

Q628 John Pugh: And they make their feelings expressly clear to you, do they?

Nicola Walker: They do.

Q629 John Pugh: Neil, what do you think about the current planning rules in terms of the protection, therefore, of town centres?

Neil Sinden: We are bound to say that we do not think the NPPF is strong enough on mechanisms for securing its aspiration for town centre first.

Q630 John Pugh: And why exactly not?

Neil Sinden: There are two things. Again, in terms of retail development, the sequential test is not being as rigorously applied—i.e. the extent to which there is capacity to accommodate retail needs within an existing town centre is not being sufficiently addressed.

Q631 John Pugh: Where do you lay the blame there? Do you think planning authorities are not interpreting it sufficiently robustly?

Neil Sinden: It is wrapped up in the lack of up-to-date local plans. It is wrapped up in the general sense that local authorities increasingly have that the NPPF is so unequivocally pro-development, regardless of the consequences, that unless they have a completely solid, waterproof, fool-proof case for resisting an out-of-town development, they do not stand a chance of being successful on appeal, for example, if they were

to choose to refuse an application that they had concerns about. This comes back to their sense that there is a lack of support for an appropriate and sequential test that really bites: i.e. which ensures that town centre first options are used before out-of-centre options, and also that the impact test is properly applied as well, the test that is meant to be carried out to assess the likely impact of an out-of-town proposal on in-town retail development. I think the Association of Convenience Stores submitted evidence to this inquiry with some outcomes of research that they have carried out, which contained some quite alarming figures.

Q632 John Pugh: They suggest, do they not, that the impact assessment, when done in advance, is no indication of what it will be when the development goes ahead?

Neil Sinden: As well, but also they draw attention to the fact that local authorities are increasingly relying on developers themselves carrying out these impact tests, and the research that the ACS have carried out suggests that inevitably these impact assessments carried out by developers are biased in favour of the development in question. I think that needs to be looked at. But the headline statistic that struck me when I looked at their evidence was that they were claiming that something like 76% of retail capacity since the NPPF was published was out-of-centre. A bit like with the brownfield issue and the greenbelt issue, we suffer from a lack of robust statistical evidence, but if that figure is correct, it would be very worrying.

Q633 John Pugh: You have just mentioned that 76% of retail floor space is created out of town, rather than within town. Does that not suggest, Nicola, that the sequential test is not working as it should?

Nicola Walker: Firstly, we would have to verify that statistic.

John Pugh: There just are not any other statistics.

Nicola Walker: That is a problem in itself.

John Pugh: It is the best evidence we have got.

Nicola Walker: It is difficult to assess whether the entire town centre first approach is working based on that one, questionable statistic. Certainly, we should be, as I say, encouraging development in town centres. We should be encouraging businesses who are already there to come together. We should be encouraging local authorities to take more of a regeneration approach. There are other things that we can be doing: business improvement districts are one particular model that have worked and have encouraged businesses within town centres to come together and start to act more as a collective force.

Q634 John Pugh: Presumably, the big supermarkets are members of the CBI, are they not?

Nicola Walker: Yes, they are.

Q635 John Pugh: Have you asked them about the balance of their development? Because they develop both inside the town centres, little mini-stores, and also seem to be developing, according to the ACS, extensively outside of town centres as well.

Nicola Walker: Yes. I do not have any particular case studies with regard to large supermarkets.

Q636 John Pugh: Do you know why they do that? Why do they proliferate to this extent?

Nicola Walker: They have quite a diverse portfolio. As you say, they develop both within town centres and out of town.

Q637 John Pugh: So you have no conversations as to why they are doing what they are doing, in terms of the limitations that planning might present?

Nicola Walker: I have not spoken to them specifically on that issue, no.

Q638 Chair: Just as a layperson, looking at this from the outside, if I heard the words "town centre first", do you think it would be reasonable for me to assume that meant that the majority of new retail development in the future was going to happen in town centres?

Nicola Walker: I think it is reasonable to assume that that is the first place one should look to develop.

Q639 Chair: If I was a layperson outside, and did not understand all these planning rules and things, and someone said, "It is a town centre first policy," would it be reasonable to assume that I would think that that meant that most new retail development would happen in town centres? It is a fairly simple question. It is what the public would assume, is it not?

Nicola Walker: Yes; as I say, if the space is there, if the appropriate buildings are there, and if the development fits the town centre.

Q640 Chair: Most people look around at town and city centres and see, actually, quite a lot of space around at present.

Nicola Walker: Yes.

Q641 Chris Williamson: Can I just turn to renewable energy applications now? Nicola, if I could start with you, the CBI has expressed concerns about the number of interventions the Secretary of State has made in renewable energy planning applications. I just wondered why the CBI thinks that renewable energy should be exempt from ministerial scrutiny.

Nicola Walker: We are not suggesting that it should be exempt from ministerial scrutiny.

Q642 Chris Williamson: What are you saying, then?

Nicola Walker: We are suggesting that our statistics show that the Secretary of State had intervened in the planning decisions of 38 separate projects since June 2013. Combined with the political mood music around the development of onshore wind, in particular, and combined with the fact that the EMR process has not yet been completed, all this comes together into a bit of a perfect storm for energy infrastructure investors, and is really undermining confidence in that particular area, which, actually, the NPPF sets out as one of the pillars that local authorities should be mindful of—i.e. the development of a low-carbon economy. We feel that the number of times that the Secretary of State has intervened is particularly concerning within that particular sector.

Q643 Chris Williamson: It is curious, though, is it not, that the renewable energy industry has told us that they have not sought a judicial review of a single decision of the Secretary of State? Is that not a tacit indication, at least, that they acknowledge that the NPPF is working perfectly adequately?

Nicola Walker: That assumes that the Secretary of State has made a decision. Part of the time, the problem is that these projects are sat on for quite some time.

Q644 Chris Williamson: So you think that there could be some judicial review applications forthcoming, do you?

Nicola Walker: Possibly. I could not say.

Q645 Chris Williamson: Do you detect a political agenda, then, from the Secretary of State? You talked about that, or you alluded to that, in some of your other remarks. Do you think there is a political agenda at work here?

Nicola Walker: I think there are concerns from all sides, to be perfectly honest. I think all three main political parties have been guilty

of undermining confidence in investment in our energy infrastructure, whether it be concerns expressed around onshore wind particularly, or concerns around the workings of the electricity market. I think the general political mood music has only served to undermine confidence.

Q646 Chris Williamson: But you do not think the Secretary of State trusts local professional planning decisions, though, do you?

Nicola Walker: I could not speak on his behalf.

Q647 Chris Williamson: That was the implication, was it not, from what the CBI has said on this?

Nicola Walker: We are concerned about the disproportionate focus he has put on some of these projects.

Q648 Chris Williamson: Have you not said that it indicates a lack of trust by the Government in the planning profession to interpret policy and guidance?

Nicola Walker: One of the real concerns is especially where these projects have actually been given the green light at local level, and have then been called in. So they have been through what we would consider a very thorough process, and it is not understood why the Secretary of State then felt the need to call them in.

Q649 Chris Williamson: Is the Secretary of State, in the CBI's opinion, then picking on the renewable energy industry? Is there evidence that there is more intervention by the Secretary of State in relation to renewable energy applications than in other planning areas?

Nicola Walker: I do not know what the evidence suggests from that perspective, but, as I said, 38 separate projects since June 2013 seems like quite a lot to us.

Q650 Chris Williamson: Neil, if I could just ask you a couple of questions, the CPRE have said that you believe the planning system has failed to strike the right balance on onshore wind between protecting the local environment and providing low-carbon power. The CPRE just does not support onshore wind, does it? What is the right balance?

Neil Sinden: We believe onshore wind has a role to play. We certainly have supported it. Our branches have supported it in some parts of the country where it is suitably located, but where our branches have been concerned is where we have seen proposals come forward in very sensitive locations; sometimes in protected areas, AONBs or national parks, where they should not have been proposed, essentially. We were

pleased to see the Government intervene in July last year with a revised planning policy on renewable energy. We have looked at and analysed how that policy has been implemented on the ground in a report that I think we referred to in our evidence, “The countryside generation game”, and I think some of the evidence that we have found supports what Nicola was saying: that there has been probably far too much ministerial intervention in the decision-making process, and it is interesting to speculate as to why that has been the case.

Q651 Chris Williamson: So you are saying there has been too much ministerial intervention. That seems to be somewhat contradictory, does it not?

Neil Sinden: Not so much. We like to see the planning system work efficiently and effectively on the ground, with local planning authorities taking the vast bulk of decisions. I think the ministerial intervention in some of this—not just onshore wind, but also solar development applications over the past year or so—has told us that the planning policy framework is not sufficiently clear for local authorities to be able to interpret national policy. The balance is not right.

Q652 Chris Williamson: Would you agree with Nicola and the CBI, then—and I think you just said that, but just for clarity—that the Secretary of State has been intervening too much?

Neil Sinden: Yes. We believe that the planning system ought to operate in a way where the vast bulk of decisions are taken locally, within the context of national policy.

Q653 Chris Williamson: What do you mean when you say that he has not struck the right balance, then?

Neil Sinden: We would prefer to see clearer policy in place nationally in order to enable local authorities to make sensible decisions, balancing local impacts against the need for low-carbon energy, in order to avoid ministerial intervention. Our position is slightly nuanced. We are concerned that there is greater than would be expected ministerial intervention, but we think the solution to that is to improve and strengthen policy nationally.

Q654 Chris Williamson: So does the CPRE support the applications that were called in by the Secretary of State, or not?

Neil Sinden: You mean, would we be wanting to see them approved?

Q655 Chris Williamson: You are saying that the Secretary of State is intervening too much, the implication being that local decision-makers' decisions should stand, presumably.

Neil Sinden: No.

Q656 Chris Williamson: How do you do it? If you do not agree with the local decision-makers, and you think the Secretary of State is intervening too much—

Neil Sinden: In relation to any one incident, we are not saying that the Minister should not have intervened, but what that tells us—and what I think Ministers have said quite clearly—is that local authorities are failing to implement the intention of national policy effectively. What that tells us, therefore, is that national policy needs to be better expressed, and local authorities need to be given more guidance in how to apply it.

Q657 Chris Williamson: Can I ask a couple of final, quick questions, then, because I am slightly confused? What do you mean, then, when you say the Government has failed to strike the right balance between providing low-carbon power and protecting the local environment?

Neil Sinden: That would be prior to the introduction of the statement on renewable energy in July last year. Inevitably, that intervention and that statement was made in response to quite a lot of local concern about applications for onshore wind and large-scale solar in inappropriate locations, which told us that the balance had not been struck in national policy. We were pleased to see the national policy intervention, but the point I am struggling to make, I think, is that that policy needs to be clearer to give more guidance to local authorities on how to interpret the intention behind the national policy, in order to avoid the need for the Minister to intervene and reverse decisions for his own determination.

Q658 Chris Williamson: Finally, then, would you like to see the NPPF change somewhat to make it less likely, or, indeed, more difficult for the Secretary of State to intervene in planning applications?

Neil Sinden: I suppose the blunt answer to that is yes, but I think that is done through making policy perhaps slightly more expansive, slightly clearer, and giving more direction to local authorities on how to go about determining a particular proposal?

Q659 Chris Williamson: And what about you, Nicola? Do you think that the NPPF should be changed?

Nicola Walker: The biggest problem for us is the open-ended nature of calling in these projects.

Q660 Chris Williamson: So would you like to see the NPPF change, then, to make it more difficult and less likely for the Secretary of State to intervene?

Nicola Walker: We would like to see that intervention time-limited, most definitely.

Q661 Chris Williamson: What would that time limit be, would you say? What would be a reasonable time limit?

Nicola Walker: I would be picking figures out of the air, but certainly if you look at the major infrastructure regime, there are clear time limits set out for such deliberations.

Q662 Chris Williamson: Would it be months, or years, or weeks?

Nicola Walker: Months.

Q663 Chris Williamson: Less than a year?

Nicola Walker: Much less than a year.

Q664 Chris Williamson: Less than six months?

Nicola Walker: We are going into very dodgy territory here, but certainly I would look to the major infrastructure planning regime and the kind of timeframes that are set out there. We feel they should be echoed at a local level.

Chair: Thank you very much indeed for coming and giving evidence this afternoon.