Oral evidence

Taken before the Communities and Local Government Committee

on Monday 11 June 2007

Members present

Dr Phyllis Starkey, in the Chair
Mr Clive Betts
John Cummings
Mr Greg Hands
Anne Main
Emily Thornberry
David Wright

Witnesses: Yvette Cooper MP, Minister for Housing and Planning, and Ms Michelle Banks, Director of Planning Service Improvement, Department for Communities and Local Government, and Ms Bernadette Kelly, Director of Planning Reform, Cabinet Office, gave evidence.

Q1 Chair: Good afternoon. Minister, can I welcome you to this session on the Planning White Paper and start by asking you questions relating to housing. You realise that we have a lot of topics to range across in this session. The Barker report suggested that there might be greater use of delivery bodies in delivering housing—and you will know there have been criticisms lately about the Thames Gateway and the incoherence of delivery there—and yet the White Paper is not making any proposals at all to encourage further housing supply through the use of urban development corporations. Would you like to explain why?

Yvette Cooper: Thank you, Chair. I should like to thank the Committee for doing this evidence session today and introduce Bernadette Kelly and Michelle Banks who are with me to provide additional help arrangements, including the introduction of improvements to major Town and Country Planning Act, and there may be others that are affected by transport legislation, energy legislation and so on. It is a specific set of particularly around that. On the question about applications that have very complex arrangements around them. As I say, we do see them as building possibilities that could be used. It varies from area to area as to which should be appropriate and which should be used. We think there is more scope for using some of the UDCs and things like that, but it is also important for local authorities to play a strong role in place-shaping as well. It is one of those things where you can take decisions area by area, rather than having a blanket approach that says, “such and such a delivery vehicle should be used in every single area”.

Q2 Chair: Are you saying that the Department is keeping it under review?

Yvette Cooper: Yes. We are obviously doing the work around eco-towns and new towns to higher environmental standards at the moment. That obviously raises questions about the appropriate delivery vehicles to support those. You may be aware of discussions with Cambridgeshire about joint planning committees and so on for the North Stowe development and different delivery arrangements. It is an area we keep continually under review, but on a case-by-case basis, to see what the most appropriate delivery arrangements are for each area.

Q3 Anne Main: Reforming the current arrangements, including the introduction of national guidance for major infrastructure projects, is proposed because you believe there is a pressing need to enhance various things. This was suggested also in the 2001 Green Paper. If it is so pressing, why has it taken the Government nearly six years to implement its previous proposal?

Yvette Cooper: We have already introduced a series of improvements to major Town and Country Planning Act proposals. Many of those were introduced in the Planning Act a few years ago and have certainly speeded up the timescale for major cases that are decided under the Town and Country Planning Act. This is a more complex area because you are looking at infrastructure applications that often involve multiple consent regimes. There may be some aspects that are affected by the Town and Country Planning Act, and there may be others that are affected by transport legislation, energy legislation and so on. It is a specific set of applications that have very complex arrangements around them. As I say, we do see them as building on the process of speeding up the major developments and the planning process around what was set out in the planning reforms a few years ago.

Q4 Anne Main: Is this a shift then away from a developer-led proposal, say a rail-freight interchange or something similar, towards Government identifying strategic places for strategic infrastructure?
Yvette Cooper: That might vary depending on the kind of infrastructure we are talking about. There will be some areas where it is very much public sector led in terms of the nature of the infrastructure provided.

Q5 Anne Main: Can you give us an idea of which ones?

Yvette Cooper: A lot of transport infrastructure is often public sector led because it is public sector funded, for example; but it will vary according to the kind of infrastructure proposed. The more that things are done through a plan-led system, obviously the better it will be. We are trying to set out a framework within which the private sector can operate, and a clearer framework within which it can operate. At the moment you will have a particular major infrastructure inquiry that could end up debating for a very long time the need or otherwise for a piece of infrastructure and so on. If you have a national debate on the kind of infrastructure that is needed that is government led—but which needs to involve Parliament, local communities and local authorities across the country—that is a much better framework within which the private sector can put in applications.

Q6 Anne Main: Given that you have just excluded more the rail and transport side, there has obviously been a lot of speculation in terms of the possible new Government approach towards nuclear power stations. Is that the type of infrastructure that you would imagine, after public debate, in relation to which the Government would decide appropriate locations?

Yvette Cooper: The approach that we have set out in here is that the Government would set out a national policy statement (NPS). That would need to be properly debated, and it would vary from area to area as to how far you go in terms of determining specific locations. Some national policy statements might be very locationally specific and may be about “this area here, that area over there”, which is key in terms of the kind of infrastructure that is required. Others may not be very locationally specific at all. Actually, it is not for me, as Planning Minister, to set out which national policy statement will have different levels of locational specificity because that will depend on the particular infrastructure and the ministers and the departments drawing up that national policy statement.

Q7 Anne Main: I can understand this, but I just want to tease it out a little bit more, Minister. You would not want to be specific yourself, but I am sure that there would have to be certain policies, such as in relation to energy, that you would feel had to be determined nationally.

Yvette Cooper: Some will have very clear specific locations and others will not. It will vary and need to be set out very clearly within the national policy statement how far they think locational specificity is an important thing to be consulted on as part of the national statement, and how far that needs to be discussed at regional level, at local level and so on. It will vary from one kind of infrastructure to another. Once you have set out your national policy statement, then the proposals set out here allow for the independent commission to determine a particular application and whether or not it should go ahead.

Q8 Mr Betts: It seems to me that there is potentially a very fundamental change here in our whole approach to planning. At present, based on the planning system, the planning officer receives an application from a proposed developer and he looks at it in the light of the local development framework, the regional strategy and national planning guidance, and decides whether that is an appropriate place to put something, whether it be a power station or a wind farm, an extension to an airport or a new airport. Here, are we getting to a situation where the planning system almost says, “Here is the national strategy; we are going to need a certain amount of power generation capacity and a certain amount of airport capacity; which is the best place to put that capacity?” The planning system is now slightly different; you are not looking at an individual application; you are looking at where the best place would be to locate a new power station or a new airport capacity, for example, in the country.

Yvette Cooper: The planning system already does that in different ways. For some kinds of infrastructure it might do that at regional level as part of the RSS discussions; for some kinds of infrastructure it may look at it as part of local development frameworks and so on; so there are already discussions that take place with different degrees of specificity about the appropriate locations for different kinds of development. Those discussions may not take place, frankly, as effectively as they need to. The difficulty that I have in answering these questions is that it will depend from one kind of infrastructure to another how many of those kinds of debates you have. If you are talking about major transport infrastructure and major links from one location to another, the location is quite important and the location will be quite clear, but there will be other kinds of infrastructure where it is not, for example infrastructure that would be geographically dependent; for example reservoirs or wind farms.

Q9 Mr Betts: Are we not moving slightly to a different position? Currently, with each individual planning application you look to see whether the site applied for is appropriate. Are you not almost moving to a situation—and it might be wind farms, for example—where there will always be conflicts between the need to generate a unit of energy as against the potential eyesore impact of a wind farm, where there will be a requirement on the planning system now not necessarily to ask if that site is absolutely appropriate but whether it is the least inappropriate of all the various options to put wind farms if we are going to hit the Government’s target of 20% renewables by 2020?
Yvette Cooper: First, I should clarify that on a lot of the wind farm proposals we are currently not proposing that they should be decided by the IPC. Where they are currently decided by the local planning authorities, that should continue to be the case. The role of the Infrastructure Planning Committee (IPC) will still be to decide in relation to an individual application whether it is an appropriate site for that application or not, and to look at the locational issues, what the local environmental impact might be, what the local cost benefits and so on will be. The IPC will still have to play that role in the planning process, just as planning applications are determined at the moment. They will still have to have those debates and community consultation, and that kind of analysis and decision-making, in exactly the same way that the current process does.

Q10 Mr Betts: I am not quite sure what has changed then.

Yvette Cooper: What has changed is that you look at the level of need as part of the national policy statement. At the moment, when you have an application that comes in, for example, for a new airport or for an additional terminal at an airport, or a major piece of infrastructure, the debate at the planning inquiry will include not only whether it is an appropriate location, but whether there is a need for this type of infrastructure at all. Probably an individual planning inquiry is not the best place to be deciding whether or not there is an overall need; and whether or not there is an overall need for an additional airport or an additional piece of infrastructure is something that should be decided, debated and scrutinised at national level first.

Q11 Mr Betts: To be absolutely clear, at the next stage, when looking at whether a site is appropriate to meet that need, will there be any element of saying it is the best site to meet that need?

Yvette Cooper: I think this is one of the issues that we need to explore as part of the consultation. The IPC will need to look at a whole series of things. You would expect the developer, when doing a developer’s consultation, to have looked at alternative locations for this particular piece of infrastructure; and the IPC would be able to refuse to consider an application that had not had appropriate consultation by the developer. We are introducing a new obligation on the developer to consult local people and local communities. That might be a stage at which they would look at alternative locations, but this is an area that we need to explore further as part of the consultation on the White Paper.

Q12 Mr Betts: Some might go beyond an immediate vicinity. It might be that there is a decision to be made about whether you expand Heathrow or Stansted or Robin Hood Airport. Those are trade-offs that a developer is not necessarily going to do, because they are going to have a vested interest in the particular project they are committed to.

Yvette Cooper: Again, the difficulty in answering the question is that it will vary substantially from one kind of infrastructure to another. You could envisage a national policy statement around ports for example that might look at regions and criteria for locations and what a national approach to ports might be. That might therefore have an impact. You would have those debates about appropriate locations or at least appropriate regions and things like that as part of the debate around a national policy statement. However, when the IPC then has to consider an individual application, it will all be about asking if this particular application about this particular expansion is appropriate or not; or if this particular development is appropriate or not for that particular site. The balance between how much is looked at as part of a national policy statement and how much is looked at by the IPC will vary from one area of infrastructure to another. I am very conscious of not being able to answer in precise detail the Committee’s questions on this, and I recognise that, and that is partly because it will vary from policy area to policy area, and individual ministers for those policy areas will have different views about how specific they should be. It is also because we need to consult further on the proposals in the White Paper and take people’s views on the way in which those locations should be properly debated and how much should be done as part of the NPS, and how much should be done at a later stage.

Q13 David Wright: You say, Minister, that it varies between policy areas. What happens if there is a windfall provision of land, for example, within a policy area that totally changes the national framework and the national approach? How would ministers then step back along the line and review the national framework? Planning opportunities come forward, do they not: tracts of land become available; options become available that change the dynamic of the debate? How do you step back in the process in terms of timing?

Yvette Cooper: We have said in the White Paper that national policy statements would need to be reviewed probably at least every five years; that there would need to be a process by which new evidence could be brought forward. So if local communities thought there was new evidence material to a particular national policy statement, they would be able to put that forward and put it to the Secretary of State. We do recognise that there will be areas where things will change in terms of policy, in terms of technology, in terms of land availability and so on; and there will need to be a process to address that.

Q14 David Wright: You are saying there will be a trigger mechanism in the system for developers who are promoting schemes, and local residents, to come back and request a review of the national statement.
Ms Kelly: There will be a mechanism that allows people to present new evidence, which they may argue means that all or parts of the policy statement should be reviewed, and then the relevant secretary of state would need to take a view as to whether that evidence was so material as to require a review of all or part of the national policy statement. It does not necessarily mean that people would have a right to demand because, obviously, these policy statements are intended to provide some long-term certainty, and having them constantly triggered for review would undermine that purpose. There would certainly be a provision for people to bring forth evidence; the Secretary of State would need to consider it, and decide whether or not, in the light of that evidence, a review was merited.

Q15 Emily Thornberry: Minister, I would like to go back to the statement you made that already within planning there are, for example, regional spaces strategies decision-making, but that they are really site-specific. They quite often will identify, for example, that in the east of England we could do with a rail freight terminal, but it is not site-specific. Then, if one is granted, is it up to the developer, if he still wishes to, to go ahead and put in more—or will the Government now be more prescriptive and say, “We do not actually need another one in eastern England, we need one somewhere else in another quadrant for around London”? Is that the shift of emphasis—which is what we are looking for—or would it still be the position that if a developer wants to come up with two or three in the east of England—blow the fact we have already got one—if it fits the site and fulfils the need to get freight off roads, you would still say “that is fine”? I want to know if there has been a shift in emphasis.

Yvette Cooper: Again, it will depend on the kind of infrastructure we are talking about, so it is conceivable that a national policy statement might do precisely as you say. It might say, “For this particular kind of infrastructure we need one in each region” or “we need a particular kind of thing that has got locations attached to it”—not necessarily site-specific locations but broad areas; or it might have much more locational detail. It would be possible under this framework we have set out to have a national policy statement that did precisely that. It would also be possible to have a national policy statement that was much broader. In this we are trying to set out a framework that can be used in different ways for different kinds of infrastructure according to the issues that faced that kind of infrastructure.

Q16 Emily Thornberry: So you do envisage some scenarios where that is a possibility with this new structure?

Yvette Cooper: You could do that within this structure.

Q17 Mr Hands: What sort of timeframe would you expect to see for a national policy statement to be drawn up and for consultation to happen? You talk in the White Paper about there being parliamentary scrutiny, perhaps by a select committee, but will the statements actually be voted on by Parliament and will there be a democratic decision to adopt that national policy statement?

Yvette Cooper: We have not set out precisely the form that parliamentary scrutiny should take. We would obviously be interested in the views of the Select Committee on that. We have identified the Select Committee as potentially playing a role in the parliamentary scrutiny. We have not taken a view on that at this stage and will wait to hear what the responses are to the consultation; but we do think there should be a parliamentary role in terms of setting out the national policy statements.

Q18 Mr Hands: Can I raise an issue that has been raised with me by the London umbrella group, the Amenities Society? They have raised with me the danger, not with the current Secretary of State, but a secretary of state of the future, who might make rather sudden and arbitrary decisions around a national policy statement to justify a particular project going on somewhere. What kind of protections will there be against a secretary of state proposing rather sudden and often arbitrary changes?

Yvette Cooper: You would have to have a clear process for a national policy statement. You would have to have a clear consultation process. You would have to set out what the parliamentary process was. We are not doing so at this stage because we want to hear responses, but that does not mean you have it as an open-ended issue. You clearly have to set it out and we would want to take all of this into account in drafting the legislation. We have also set out the point at which you would expect it to be possible to have legal challenges to the national policy statement, to ensure that it has been properly consulted on, has been through proper due process and so on. Clearly, there would need to be protection against arbitrary changes and short-term changes in the national policy statements, but that seems possible to do.

Q19 John Cummings: I will be very brief because you have touched on the matter already with Greg. The 2001 proposals for parliamentary involvement in planning for major infrastructure was not pursued. Can you tell the Committee what the reasons are now for reappraising parliamentary involvement, and do you propose that the relevant select committees should be required to scrutinise national policy statements and to do so within a specified time frame?

Yvette Cooper: I think we would be slightly cautious about sitting in front of the Select Committee and telling the Select Committee that we were requiring it to do anything. We are not at this stage setting out the way in which parliamentary scrutiny should take place, and we are interested in views on the form of that parliamentary scrutiny. It would be very difficult and inappropriate for Parliament to have a role in individual planning decisions. Those are effectively quasi judicial decisions and need to be taken in a particular way to ensure fairness to all
sides. However, in terms of shaping the overall national policy against which individual decisions are taken, we do think that there should be a stronger role for Parliament in shaping that national policy.

Q20 John Cummings: Will you be sharing that thought with the chairs of select committees before you finally make your mind up? Will you consult them in any detail?

Yvette Cooper: I think that is probably a very sensible idea and we would certainly—

Q21 John Cummings: But do you intend to?

Yvette Cooper: We would certainly be interested in select committees' views. I am slightly cautious in saying this in that there are obviously other departments and other ministers and select committees involved in this, but we would certainly be very keen to have the select committee's views on the form that parliamentary scrutiny should take.

Q22 Mr Hands: Can I put it to you very briefly? In my view, it would be unacceptable to have national policy statements that have not been subject to a vote of Parliament; and they could be treated perhaps in the same way as secondary legislation sent to a committee. If these national policy statements are going to determine the whole planning framework around a particular issue, it seems to me inconceivable that it could be going through without a vote of Parliament. I appreciate you say you want an increased role for Parliament here, but I think that is essential. It does not seem at the moment you have any firm commitment that there be a parliamentary vote on this.

Yvette Cooper: I think this is not the right stage for us to set out detailed proposals on this. As I have said, we want to hear views that come forward. Once we have looked at different views put forward, including from the Select Committee, then we will take a view about the appropriate form of parliamentary scrutiny.

Chair: Can we move on to the role of the Infrastructure Planning Commission?

Q23 Mr Hands: The IPC will have to make some difficult decisions, obviously. How will the Government ensure that it would remain independent when it was likely to come under significant sustained local and/or national pressures?

Yvette Cooper: It is, but the Planning Inspectorate remains very clearly independent, and that often has to deal with very controversial applications and operates in a very clear, independent way when making its recommendations. Clearly, the IPC would be set out in statute, as part of the legislation; and that is what would very clearly establish its independence.

Q24 Mr Hands: Clearly, the Planning Inspectorate is a different kind of body; it is an appeal body rather than an initiation body. The White Paper calls for the new IPC commissioners to have eight-year terms, and they could only be removed, as far as I read it, on grounds of incapacity or misconduct. Surely, there must be other ways in which one could remove one of those commissioners if the quality of their decisions and everything else was incredibly poor, or indeed if there were a change in government? If there were a change in government, and a change in national policy statements, would that not suggest that there might be a change at IPC?

Yvette Cooper: The role of the IPC is to take decisions in response to a national policy statement. It would certainly be open to a new government, obviously, or a new minister, to change the national policy statement; and then the IPC would respond in accordance with the new national policy statement and would take decisions in accordance with it. You are trying to avoid a situation where the members of the IPC feel that they have to take a decision in a particular way for a particularly politically controversial application because otherwise they might get removed from their jobs. You are trying to avoid that kind of thing and establish appropriate independence. If there are particular concerns of the Committee, we are very happy to look at those, but I think you would agree that it would be right to have an appropriate kind of independence for the—

Q25 Mr Hands: It would certainly be an appropriate independence, but you have to make them accountable. If you are going to have them with eight-year terms, where they cannot be removed for any reason other than misconduct or incapacity, that is not making them in any way accountable to Parliament, this Committee or anybody else.

Yvette Cooper: Interestingly, they have to take decisions that are quasi judicial, and we do set up systems to take quasi judicial decisions in a way that is different from the way in which we set up democratically accountable decisions.

Q26 Mr Hands: Does “quasi judicial” not imply that there should be a right of appeal? However, it sounds as though there is no right of appeal!

Yvette Cooper: There will always be issues where someone thinks the IPC has not done its job properly or has not operated within the framework of law that it is supposed to operate in, and in those circumstances there will clearly be a role for the courts or for judicial review. We are trying to set up a framework that is fair and transparent, as part of the legislation, which gives the IPC a particular role within national policy statements that are drawn up by Parliament. It is a different framework from the one that currently operates, and clearly the detail needs to be got right as part of the legislation, which is precisely why we are consulting on the White Paper proposals.

Q27 Mr Hands: You say policy statements drawn up by Parliament, which Parliament, it seems, will not have the opportunity to vote on, even though Parliament may have the opportunity to scrutinise them. You are then going to have them decided by these IPCs, with fixed eight-year terms, which are totally unaccountable. They even have the right, as
I understand it, to conduct compulsory purchase of land without any consultation locally or any right of redress locally. Surely that cannot be right?

Yvette Cooper: Again, we have set out proposals as part of the White Paper, and again these are areas where we will be listening to the consultation responses. The Commission will have to publish reasons for its decision and account to ministers and Parliament for its overall performance. If it cannot set out reasons, the whole framework around judicial review is all based on reasonable behaviour and being able to set out reasons and so on. There are all sorts of processes where we ask the Land Tribunal, for example, to take independent decisions around the kind of compensation that is appropriate, where you have compulsory purchase orders, where we do set up independent and quasi judicial frameworks for taking decisions. I think there is a long tradition of those kinds of approaches in the British legal system, and we would need to draw on those approaches in terms of getting the legislation right here.

Q28 Mr Hands: I very much debate your point as to whether this is a quasi judicial process. As somebody who has been involved in a lot of quasi judicial processes it does not sound to me like one. As a final point, how do you foresee the IPC and local authorities communicating effectively to deliver a programme around an NPS?

Yvette Cooper: Local authorities, we think, should have a specific status in terms of drawing up of national policy statements and in terms of the consultation process around individual applications. On the quasi judicial point, you recognise that ministers under the current process take quasi judicial decisions on the basis of individual planning applications. The current process involves very different decision-making processes than many of the ordinary decisions that ministers take where they are directly accountable to Parliament. We should recognise that the current process is very different in terms of the decision-making. To come back to the wider issues, we are trying to suggest a framework that is different in order to deal with the problems that the planning system has traditionally had. There are a whole series of areas where further work needs to be done on the detail, and that is precisely why we are consulting on the White Paper rather than going directly to legislation: but we have to recognise the problems in the current system that it is trying to address.

Q29 Mr Hands: Can you say what the quango’s relationship with current legislation would be? My reading of the White Paper is that the quango will have the rights to overrule existing legislation, or even amend existing legislation. Surely, we cannot have this unelected quango being able to do that on legislation that has been voted through democratically by this Parliament, if there is going to be no democratic vote on amending it?

Yvette Cooper: Again, this area needs to be set out in more detail when it comes to the draft legislation. What we are trying to achieve here is to allow the IPC to be able to take decisions that allow streamlining. There are areas where a whole series of multiple consents is involved, where you have a whole series of different regimes being pulled together, and it is about being able to respond and take the decision rather than having a whole series of parallel decisions having to go to ministers where those parallel decisions are consequential on the original decision of the IPC. That is the framework we are trying to set out, but, again, this is an area that needs to be set out in more detail in the legislation.

Q30 Anne Main: How do you envisage the membership of the IPC; what qualifications would you need to be a member of the IPC; and how many people would it involve?

Yvette Cooper: We have set out in part of the White Paper some particular proposals around who would be on the IPC, around the kinds of experience and expertise they would have to have. You really want a range of different people with different kinds of expertise.

Q31 Anne Main: I would like to know how the choice would be made, not the skills they need.

Yvette Cooper: They would be appointed by ministers but according to the Commissioner for Public Appointments’ Code of Practice. You would need obviously to have a very transparent process, but you also want people with expertise around planning, engineering, economics, environment and so on.

Q32 Anne Main: As far as my colleague’s point on eight years or ten years, you could understand why a new set of ministers might be somewhat unhappy with a group of people chosen by the outgoing set of ministers.

Yvette Cooper: The individuals appointed would obviously have to operate within a clear framework that was set out by the national policy statement; and it would be up to ministers to revise the national policy statement very swiftly, should they so choose.

Chair: We should move on to the next section, which is the Planning White Paper’s policies related to climate change.

Q33 Emily Thornberry: Chapter 7 contains quite a lot on climate change. One of the things we wanted to ask you was in relation to the house-building industry. As far as we understand it, local authorities have lots of different policies, and we particularly want to know about how to meet the zero carbon development. We also wondered whether, given the importance of economies of scale, consideration was being given to guidance being given to local authorities so that things are standardised across Britain.

Yvette Cooper: The Building Regulations are national standards. The reason for that is to allow builders/developers to make economies of scale and
to be able to operate within a clear, transparent framework that does not vary as soon as you move half a mile up the road into a different local authority area. It is certainly the case that, in terms of getting to the zero carbon homes within ten years, what we do not want to have is hundreds of different sets of standards in every part of the country, where in one local authority area you have to put turf on the roof, and in another local authority area it is all wind turbines and in another local authority area it is something different. That is why we are clear that we want the national framework of Building Regulations to increase the standards and cut carbon emissions. We have set out a timetable at three years, six years and ten years. We do think that there will be areas where on sites it might be appropriate to go further and faster. For example, if you have a site where you know that you can put in place a good CHP scheme linked to a local power station, or local industry, or where you have for a particular geographic reason an opportunity to generate renewable energy for the new development—on those sites it might be appropriate to say, “We should be able to demand higher standards.” We have said that that should be done through the development plan and tested so that there is a proper opportunity to scrutinise it, not simply to be done at the last minute in an arbitrary way. Secondly, we should specify levels according to the Code for Sustainable Homes, so you would set out code level 3 or code level 4 (or whatever the appropriate code level should be) rather than setting out the detail of particular technologies that should be used. In that way you give developers and industry the flexibility to meet the standards in the way they think is most appropriate, rather than specifying the inputs at a local authority level.

Q34 Emily Thornberry: You have talked about the building regulations and the importance of them. Are you intending to alter them so that they remain the fundamental regulatory tool in order to reduce carbon emissions?

Yvette Cooper: Yes.

Q35 Emily Thornberry: Are you thinking about introducing, when people put in a planning application, that they not only put in a planning application but they also put in a related document which is about their carbon reduction assessment?

Yvette Cooper: We set up a package before Christmas, which was the new draft planning policy statement on climate change alongside the timetable for what would effectively be revisions to the building regulations in order to get to the zero carbon framework. We currently have a task force which has been set up working with the house builders but also with the LGA, with the supply industry and so on, to look at what other things might be needed in order to support that and in order to make sure that you can deliver the steps along the way to get to the zero carbon homes. What we will do is consider any other proposals as part of that work.
Yvette Cooper: I think what we want to do is to make it easier in general to make minor improvements and minor changes to people’s houses. Secondly, we want to make it easier to promote micro-generation. A lot of that might also be about solar panels and so on. I do not want to go into detailed comment on individual technologies other than to mention one particular site visit I went on where they had these homes that were a kind of passive housing, many of them. It was a really great design development where they had a large wind turbine to support the overall development, but the man who showed me round, who was very passionate about cutting carbon emissions, showed me his fridge; he had a fantastic new fridge, and he was strongly against individual wind turbines on individual houses and pointed to his fridge and said that by installing this one fridge he had cut far more carbon emissions than most people did by individual wind turbines on their houses. That was his view. I am not an expert on individual wind turbines so obviously I cannot comment further. What we want to do is to provide more flexibility through the planning system. We are consulting on the idea of local authorities being able to remove some of these permitted development rights, if, for example, it was an area where it was not appropriate, for example, there was not any wind in that area and this was something that was not going to be effective. Again, what we want to do is get the responses to the consultation before making final decisions on that.

Q39 Chair: Can I ask a number of questions relating to economic development? The first one is why the Government has not made any clear statement that land that is currently allocated for employment should be retained for this purpose. I am conscious, for example, in my own constituency of enormous pressure to convert employment land to housing, notwithstanding the fact that we are actually trying to promote the overall approach to planning for economic development as well. That is the opportunity for us to look further at this issue. What we would not want to do, however, as I said, is to prevent brownfield land being used for housing in areas where it is not needed and where it is not needed for economic development.

Q40 Chair: Can I just ask you about the level of detail that the planning process can get into in supporting economic development policies? A lot of local authorities are trying to develop clusters of particular types of industry, often high-tech industries. Do you think that the planning process needs amendment to allow authorities to favour that kind of industrial development in a particular area and exclude other industries that would not contribute to the particular specificity of the cluster?

Yvette Cooper: It is a difficult one as to how far you ask the planning system to look at particular applicants effectively. Where you are talking about kinds of industry or kinds of land use, the planning system can distinguish between different kinds of land use, whether it is around leisure, industry and so on. It is harder for the planning system to identify particular kinds of business and respond differently in that way. What I think we are keen to do is to see local authorities able to use the planning system to support clusters, to support appropriate economic development. That is one of the things that was identified as part of the Barker review but you have to recognise also the limits of the planning system’s ability to make judgements about different kinds of development as well.

Q41 Chair: So your view is that local authorities should use other levers?

Yvette Cooper: I would be cautious about how far the planning system is able to choose between different kinds of development. You can where there are land use implications but, as you say, there are other levers to look at. Again, we will need to have a detailed discussion about PPS4, and we will obviously need to take evidence as we do so.

Q42 Anne Main: The White Paper refers to the use of market information. There has been quite a lot of discussion in the media about the retail needs test. I would be quite interested if you could expand on whether or not you envisage the retail needs test being dropped.

Yvette Cooper: We set out in the White Paper the approach that we want to take, which is to replace the current needs test and the current impact test with a new test. There are some limitations to the current needs test and the way it works which can prove anti-competitive, which can, for example, mean that you have an edge-of-town development in an area where the town centre needs to expand and an application for an edge-of-town development can end up being turned down on the basis that there is not a need simply because there is an out-of-town retail development not that far away. So there are areas where you can have perverse consequences from the existing needs test. Equally, we are very clear that to simply have the impact test and the sequential test without the needs test would be detrimental to the town centre approach, and so we are not proposing to simply remove the needs test.
and to just depend on the current impact and sequential test. Instead, what we think we need is a new test. We have already been talking to a range of different stakeholders about how you would draw up that test to appropriately focus on town centres, to keep that ‘town centre first’ approach central in the policy, but equally to be more pro-consumer and pro-competition as well.

Q43 Anne Main: I noticed that you use the words “pro-competition” “competitiveness” and “talking with a range of stakeholders”. Do you accept there has been some concern that this is a big business led proposal with a lot of lobbying on behalf of very large retailers—I am not going to name them but we all know who we mean—rather than take into account some of the smaller businesses, which often strive to survive within local authorities? If you have had a recent retail needs test survey done by a local authority, such as my own, would that still be allowed to stand given any changes that you may be proposing?

Yvette Cooper: Obviously, we need to set out the detail of how the new test would work and have proper consultation on it. You talk about lobbying. There is obviously intense lobbying in all directions around this and we are very clear that the previous approach in the 1980s and early 1990s was actually very destructive to town centres and had a very high proportion of out-of-town development and we are very clear that we do not want to return to that approach. I think the approach that we need to take obviously needs to take account of the views of smaller retailers, smaller businesses, and they are often central to competition and have a serious amount of impact.

Q44 Anne Main: Can I ask about lobbying on behalf of smaller businesses? Have you had much feedback from smaller businesses on the impact of your proposals?

Yvette Cooper: To be fair, we have not set out detailed proposals yet. What we are doing is saying that we want to draw up a new test and what we want to do then is to consult on it. This is an area where I think the detail really does matter and therefore people will want to discuss precise details, precise phrases. We could get right down to precise language on the page that people want to discuss, but it seems to me that it is possible to have an approach which is very strongly pro-town centre but also gets away from some of the perverse consequences of the current tests that are in place at the moment.

Q45 Mr Betts: Can I ask a question on the needs test and the new impact test? First of all, we are not going to have the needs test for individual applications but the White Paper still says that the issue of need and demand for new facilities will have to be part of the Local Development Framework (LDF) for an area. The White Paper states: “It is essential that local authorities have robust evidence-based plans and strategies that are up-to-date and which set out a clear and proactive vision for town centres based on a sound understanding of both the need and the demand for new facilities.” So there is still a needs test, is there not?

Yvette Cooper: You certainly need to look at need in terms of deciding, should your town centre expand, whether you have enough areas designated for retail development. There are plenty of towns across the country where actually the town centres are often designated too narrowly and actually towns should be expanding towards economic growth. Of course, you might want to look at issues around need and so on as part of that LDF process. But we are talking about having a new test in place and that new test would apply to individual applications. We are not talking about having a need test for individual applications.

Q46 Mr Betts: I will move on to the new test in a second. One issue of concern is still around the potential impact on town and city centres. The Government has every right to be pleased that there has been a switch of emphasis in terms of new retail development, favouring to a greater extent now town and city centres, but while it has gone up from 14% in 1994 of new retail space that has been developed in town and city centres, we are still only up to 40% of the total, are we not? So we are still not talking about a majority of the new retail development in town and city centres. Can we be absolutely assured that any changes that you may be proposing?

Yvette Cooper: Our intention is very clear. We do not want to go back to the old framework and not to go back to the level of out-of-town development that we were seeing under the old framework. That is precisely why we have rejected the proposal to simply remove the needs test and to simply have the impact test. I think the area where this applies most importantly will be around edge of centre development, which is currently not included in town centres, so it is not included under the current town centre framework but is in areas where actually what is really happening is that town centres should be expanding and you get potential developments on the edge of centres which are prevented as a result of a competitor suddenly proposing an expansion instead, or an extension instead, or an out-of-town development proposing an expansion instead and therefore undermining what actually is effectively a development which could have a positive impact on a town centre.

Q47 Mr Betts: I want to move on to that in a second but I want to be reassured that the Government’s intention is to do better than the 40% rather than seeing that figure reduced.

Yvette Cooper: Certainly our intention is to continue with the town centre focus and to continue with town centre regeneration. What we have not done is set a specific target about what proportion of retail development should take place in town centres but we are very clear that we want to see—
Q48 Mr Betts: We would not want to see less, would we?

Yvette Cooper: What we are certainly not wanting to do is to change the approach so that you end up with losing development from town centres at all. No. What we certainly want to see is more regeneration around town centres and more focus on town centre development.

Q49 Mr Betts: Can we just be certain about edge of centre? I wonder whether at some point there might be guidance given because there can be edge of centre developments and edge of centre developments. Some can be effectively an integral part with good transport links into the centre, others can be sat on the edge of a centre but are nothing more than really an out of centre development stuck on the edge of a centre where the only real access is by car and you have all the problems you would have if they were five miles away.

Yvette Cooper: Yes, you are absolutely right. When I am talking about edge of centre, I have seen cases where, for example, you have town centres where it takes five minutes to walk across the town centre from one edge of centre application to another edge of centre application; it is actually a very short walk between the two and yet, because of the way in which town centres are designated and the way in which the needs test operates, you can have those applications being affected even though they might actually both have a positive impact on the town centre. What I am not trying to do is to rewrite the way in which PPS6 should work through evidence of the Select Committee because obviously, this is an area where you have detailed consideration and you have to get the detail right. What I am trying to explain is why there might be improvements that you could make that could help town centres rather than simply see any change as being detrimental to town centres.

Q50 Mr Betts: Can I just come on to this new impact test and just link in with the point you made about consumer benefits from maybe greater competition? We all know that some developers have been lobbying for relaxation and it may be the out-of-town centre in an area is a Tesco and Asda are keen to put up competition in another out of centre site, and consumers might get some benefit in price from this competition but it will only be certain consumers, the ones who have cars and can drive there. When we look at the impact of that, are we going to have regard in the new test to the whole issue of social inclusion, for people without access to cars, to sustainability, so we look at reducing the amount of driving that goes on, for all the obvious reasons, and at the economic vibrancy of town centres and the impact on them from any potential out-of-town developments?

Yvette Cooper: Again, what I do not want to do is obviously set out the way a new test would work in discussion, without a clear programme of work to do so. Because we want to do this in a proper, systematic way and to have a proper consultation on it. Certainly, at a time when we are setting out a new PPS on climate change, clearly, sustainability is important. Clearly, we would also want to make the impact on the town centre the central consideration. That is the most important thing.

Q51 Mr Betts: Those are the sort of issues where you cannot commit yourself to saying they will be in the new test but they are the sort of issues you will be looking at as part of the consultation?

Yvette Cooper: It is inconceivable that you would have a new test that would not look at the impact on the town centre. It has to be about the impact on the town centre but you are right; the issues we are interested in looking at are the wider issues around social impact on the town centre, economic impact on the town centre, sustainability. I think the point about social inclusion is a very interesting one and how you can build that in. All the points you are raising are the kinds of things that you would want to take into account.

Q52 Mr Betts: Developers do say to you, and I have a lot of sympathy with them here, that certainty and consistency are absolutely crucial, in particular for new town and city centre developments. I just refer to my own city of Sheffield, where there is a major scheme going ahead, a new retail quarter. Hammersons are the developers, John Lewis are doubling the size of their store and are really committed. When you talk to them seriously they will say how marginal the decision was, what a long time it has taken to stack up, there has been help from English Partnerships to frontload the funding of it to make it work. It is probably going to take ten years from the start of the process to John Lewis actually opening part of their new store. They have site assembly, CPO. There are long time frames, and there is a big risk that any significant change in planning policy that suddenly produced more out-of-town development could put that whole process at risk. It is only going ahead because of the certainty that the Government is being consistent and the City Council is being consistent in supporting town and city centre first policies. Any fundamental change could unravel all that.

Yvette Cooper: I think we are clear that, in terms of what a new test would look like, its aim will be to support exactly that kind of development in exactly the same way that we do at the moment, and so to keep that very clear priority for town centre development and to stop it being undermined by out of centre development that has a detrimental impact on the town centre. We are very clear that we need to continue with that ‘town centre first’ approach and also to prevent damaging out of centre development. I do recognise that there is a risk that until a new test is set up, people will raise questions and uncertainties and so on. What we want to avoid is any planning blight around this and that is why we have tried to be very clear about the Government’s intentions, why the Secretary of State, Ruth Kelly has set out very clear statements in speeches and so on about the very clear priority that we attach to town centre development, to regeneration, to city centre investment and regeneration, because we are very clear we want to be able to support that
investment framework and to support that long-term investment and not have it jeopardised by people fearing that there will be destructive out-of-town development, which we definitely do not want to see and will not build into the new planning proposals in the new PPS6.

Q53 Anne Main: On the edge-of-town, I just caution the Minister to be sure that all aspects of this are considered, because there are many complex towns and cities, such as St Alban’s, which has a vibrant market that comes three times a week that relies on the fact that there is not a large out-of-town Tesco, sucking 24 hours a day. If your competitiveness is more important than, say, the vibrancy and diversity of some of the quirkier market towns that we have, it could be that the perverse consequence would be that you have the competitiveness in price but you lose the diversity of many of our cities and towns. I really hope that this move does not achieve that.

Yvette Cooper: It is that sort of diversity and the impact on the town centre which is exactly the kind of thing that you want to make central to the new test.

Q54 Anne Main: So that diversity of supply of goods and services will be an important part of it?

Yvette Cooper: Yes. You want to be able to talk about the impact on the town centre and the strength of the town centre, and that means not simply a narrow definition of what a town centre is. It actually means you take account of all of those sorts of things. Precisely how you do that is something that you need to have a whole series of detailed discussions about, but we are very clear that what we do not want to do is to have a swing back to the unrestricted out-of-town development that we had in the past and to have a system which permits damaging out-of-town development. Quite the reverse.

Q55 Anne Main: It is the edge-of-town that you referred to and I mentioned, that with a five-minute walk you can be out-of-town, which is not far to go if you are having your fruit and veg at half the price that you could have it in the town. That is going to be a very fine balancing act for some of our smaller towns and cities.

Yvette Cooper: If an edge-of-town development is damaging a town centre, then it should not be permitted. The issue is there will be some areas where actually you will have edge of centre developments that might support the town centre and might be good for the town centre and might be good for that area of the town centre where the needs test might make them impossible because of an out-of-town centre development. So you could imagine an area where if you have a proposal for an out-of-centre development and a rival developer, a competitor, says, “You don’t need this additional retail space because we have already got an out-of-town shopping centre that is sweeping up the need.” You therefore might prevent an edge of centre development which actually might help support the town centre and help it compete with this out-of-town centre development that exists. That is the kind of perverse consequence you can have under the current arrangements but certainly I am not in any way suggesting that you would therefore have a system which makes it much easier to get edge of centre developments which would be detrimental to the town centre. Certainly not. You want to be able to support your town centre but you also want to prevent some of the perverse consequences in the existing system.

Q56 Chair: I think we have explored this issue long enough, though, as everybody knows, it is an issue of enormous importance to all of us. Can I briefly, Minister, ask about the requirement on local authorities to pay full regard to the economic benefits of a development and what that would mean for the developer? Do they have to provide an economic impact report? Does it have to be consistent with the Treasury’s Green Book? Will this just be another huge amount of technical information that nobody will read?

Yvette Cooper: Are you referring to our proposals to revise PPS4?

Q57 Chair: Yes.

Yvette Cooper: Again, I am slightly conscious, as with all of your areas of questioning, what you are often asking me about is detail that we would need to set out properly through documents that would need proper consultation on. So we would need to do a draft PPS4, just as we will need to do a draft new test, just as we will need to do detailed proposals around national policy statements. In all of these areas I do not want to be making policy on the hoof in response to your questions.

Chair: In that case, maybe you should take it as an indication of the sorts of questions we will ask you on the consultation when we get round to it.

Q58 Mr Hands: I have a very quick couple of questions on local accountability in relation to the IPCs. Will there be a commitment that the IPCs will meet in public? Yes? Will they be subject to a standards regime as local councillors are, and will they be effectively salaried government employees sitting on the quangos and how many do you think might be needed?

Yvette Cooper: Certainly, they would obviously have to conduct inquiries in public. They would have to have proper procedures. They would have to have a whole series of... They would have to operate in a framework which covered propriety issues and so on. Obviously, we would have to set out a lot of this detail either in primary legislation or in some areas in secondary legislation, which is where a lot of the procedural guidance applies for local decision making. I do not know, Bernadette, if you want to say any more about the detail of the Commission as we envisage it at this stage.

Ms Kelly: What we are envisaging is between 20 and 30 commissioners, although obviously that is a point
on which it would be helpful to get views. They would be appointed according to the relevant rules in relation to public appointments, and they would need to be independent. The Commission would be supported by a secretariat of officials appointed on a similar basis as they are to other independent bodies, independent regulators and so forth.

Q59 Mr Betts: One brief issue: national parks. They are a very special part of the planning system. Is there anything in this White Paper that would fundamentally alter the role of national parks as planning authorities?

Yvette Cooper: No.

Q60 Anne Main: Can I ask a very brief question on the fee structure? You touched on it earlier, saying with large applications you may need to pay towards possibly expediting the application. Do you envisage a radical overhaul of the fee structure at every level?

Ms Banks: Yes. The separate consultation document that was issued with the White Paper looks at how best to fund the planning application process. The powers that local authorities have allow them to charge for planning applications on a cost recovery basis but we know from research that has been carried out that in recent years the cost of providing that planning service has not been met by fee income. In fact, the shortfall has been something in the order of 40%. So the consultation paper proposes options for generating more fee income from planning applications.

Q61 Anne Main: So to meet that 40% deficit, do you envisage that the local authority will up fees in whichever areas to cover the 40% or will there be some guidance centrally from government as to which fees should rise?

Ms Banks: The consultation paper sets out proposals for a general fee increase. For householders it would be around 7%, £10, on a standard householder application. Then we are looking at a scale of fees going higher for other types of applications. It also proposes removing the cap of £50,000 on the largest applications but there is also, as the Minister has mentioned, a separate consultation paper talking about planning performance agreements, where developers could negotiate an agreed timetable for the process of looking at their planning applications. You need to look at both the proposals together.

Q62 Anne Main: You do not envisage that would elbow them to the front of the queue?

Ms Banks: For the planning performance agreement, it would be for negotiation. The target for major applications at the moment is to be determined within 13 weeks, and the proposal is that if the developer could negotiate a planning performance agreement with the planning authority, that 13-week target could be suspended as long as you had an agreed timetable in place.

Q63 Chair: Are you saying therefore that it would be similar to other independent bodies, longer than 13 weeks? in independent regulators and so forth.

Ms Banks: It could be, or it could be within the 13 weeks. The point is there is an existing target of 13 weeks which would apply in all cases. So it would not affect that target in relation to other planning applications but it would allow an agreed process for these very major applications. This is responding a bit to feedback which has suggested that what developers want is certainty. They want certainty almost more than speed. They want to understand when they are going to have a decision and be clear about that rather than be wondering whether the 13-week target is going to be met or not.

Q64 Mr Hands: A final question on the IPC. Presumably, these public meetings of the IPC under the ECHR would have to allow representation rights for those who are immediately affected, in the same way that planning application committees at the moment are having to be changed so that there is a public right of representation. Do you think that that could, ironically, end up slowing down the work of the IPC because presumably on these large infrastructure projects there would be quite significant public representation rights, not dissimilar to a public inquiry?

Yvette Cooper: You envisage an IPC holding a public inquiry effectively. You need to have a public inquiry for major infrastructure projects. I do not think that changes. You have to have some sort of process of transparency in giving evidence and also allowing those who are affected to be able to give evidence. What we are actually proposing in addition is what is described as an “open floor” stage, in which people would be able to give evidence and to try to shift the emphasis away from what is a very adversarial system at the moment, in which often people in local communities can end up finding that they are effectively simply out-maneuvered by good barristers on the other side who put over a case and they do not have the resources to put forward their case in the same way, and to give the IPC members more ability to probe and to play more of an active role themselves in terms of asking the questions. Obviously, the process has to be ECHR-compliant, it has to be compliant with the Human Rights Act and there will need to be further detailed debate. We are obviously seeking views about the proposals that we set out on the examination stage in the White Paper but we do think that there is actually a way here to give local communities and individuals who are affected more say and more of a role in the process than often a lot of them currently feel that they have.

Q65 David Wright: I wanted to ask briefly about the changes to permitted developments. This is one of the most confusing areas of planning regulation. I
think most of us would welcome a process which would simplify the development process. How do you envisage the White Paper working on this? The concern clearly is, if people feel there is a lot more flexibility in terms of permitted development, you are going to reduce the workload on planning authorities having to consider applications but you will also increase the level of complaints from neighbours. How is this going to balance out? **Yvette Cooper:** The proposals were drawn up based on work with local authorities, around the kind of approaches that local authorities and planning authorities tend in practice to use at the moment in terms of determining which are the cases that they actually need to seriously look at and engage in in some detail and which are the proposals that, frankly, are relatively straightforward and should be able to be ticked through. It has been very much based on discussions with local councils and planning officers across the country on how you distinguish between the straightforward cases which should not need planning decisions and how you can separate out the cases where actually there is going to be a problem because it will have an impact on the neighbours and it is going to cause difficulties or cause problems for the neighbours. Obviously, the detail has to be got right on this and that is why, again, we have a detailed consultation on these proposals to be set out. The aim is to try and make it simpler for those cases that currently planning authorities would rather not have to make decisions on because they are straightforward and because it is obvious and they do tend to just take them through as fast as they possibly can, but it does take up an awful lot of their time in doing so, to distinguish between those cases and the cases where it is a real problem for the neighbours and there should be proper protection to make sure that they can have a proper, considered process.

**Ms Banks:** The proposals in the consultation document set out the rules that would apply to allow permitted development, and that is based on the idea that that permitted development would not impact beyond the host property, and so long as it falls within that scope of permitted development, and we think that our proposals will be clearer than the current system, which relies on an assessment of the volume increase. The idea is that the householder would be able to tell with a high degree of certainty whether what they wanted to do would be permitted development. If it is permitted development, they will not need to make a planning application. There is potentially—and this is something we hope we will get some feedback on through the consultation—an issue perhaps for local authorities about how much attention they need to pay to the permitted development case something goes wrong but in principle we think there should be a fairly hefty saving for local authorities, we estimate about 85,000 applications fewer than at the moment because, as the Minister has said, the workload is very bottom-heavy. We have not gone into the detail of how a local authority might choose to monitor this or anything like that but what we are essentially setting out is a system whereby a householder can be sure by looking at the rules that what they propose would be permitted development and the involvement of the local authority should be minimal.

**Q67 Anne Main:** You did not really touch on materials, but are conservation areas opted out of this?

**Ms Banks:** I apologise for missing the point about conservation areas but in the consultation paper we set out what the rules would be—and they are very specific—one of the rules, which is new, is that the materials have to match those of the existing dwelling house.

**Q68 Anne Main:** What about conservation areas?

**Ms Banks:** Conservation areas potentially could have a higher degree of protection. Local authorities would have the capability to introduce extra protection, not just in conservation areas but in areas where they thought exceptionally high protection would be needed on permitted development.

**Chair:** Thank you very much indeed, Minister. I suspect this is a topic we will return to several times. Thank you.