

neighbourhood planning



Briefing for the Business Community

“Businesses are a key part of our local communities, and it is right that they are able to play an active role in neighbourhood forums. Giving business owners a voice in neighbourhood planning will allow them to help set the agenda for business growth... Getting the planning system right is crucial if we are to continue to see a private sector-led recovery, and these changes are an encouraging step in the right direction...”

David Frost, Director General of the British Chambers of Commerce (BCC)

Introduction

The Localism Bill was published in December 2010. It sets out a series of proposals with the objective of bringing about a substantial and lasting shift in power away from central government and towards local people. In terms of land use planning for example, it proposes the abolition of Regional Plans (formerly known as Regional Spatial Strategies) which set top down housing targets for each local authority in England.

The Bill includes: new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform to make the planning system more democratic and more effective, and reform to ensure that decisions about development are taken locally, through a new tier of Neighbourhood Planning.

The Government is also in the process of replacing the multiple statements of planning policy (PPS) it has previously issued with a single simplified National Planning Policy Framework (NPPF), which places an increased emphasis on the importance of promoting economic growth through the planning process¹. Government has indicated that the proposed NPPF would replace more than 1000 pages of planning advice with 52 pages.

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Impact on Businesses

As initially drafted, the Localism Bill did not once mention the word 'business' in relation to Neighbourhood Planning. It has since been recognised that this was a major omission. Proposed amendments to the Bill would broaden the role of Neighbourhood Plans which could now be set up expressly for "promoting the carrying on of trades, professions or other businesses in such an area", thereby strengthening the role of business in Neighbourhood Planning.

Government has announced eight Business-led Neighbourhood Plan Front Runners², which will trial the proposed new powers, and has invited bids from local authorities who wish to work with business organisation(s) and/or community groups to undertake neighbourhood planning prior to the enactment of the Bill.

It is clear that the changes proposed could apply and work well in a defined business park, industrial estate or employment area. What is not so clear is how businesses might engage in the process in a town centre or mixed use area or other forms of communities, which include substantial residential development. The Frontrunners should provide some useful lessons as to how this may operate effectively.

How this may impact on your business

Neighbourhood Planning gives businesses the opportunity to help shape the future of the localities in which they operate. Set out below are some answers to questions you may have about the role of business in Neighbourhood Planning. Some of the answers are not known, and will only emerge as the Bill and the designated Front Runners progress.

Questions and Answers

What is a neighbourhood plan and what are the benefits of having one?

The purpose of Neighbourhood Planning is to give local people and businesses greater ownership of the plans and policies which affect their local area. The intention is to empower communities to take a proactive role in shaping the future of the areas in which they live and work.

Neighbourhood Planning has the potential to help ensure that development is in line with local needs, and provides more certainty for developers, residents and businesses. A neighbourhood plan would be able to identify the specific site or broad location for development and specify the form, size, type and design.

How will businesses be involved?

In parished areas, it is the Parish Council that comprises the body responsible for bringing forward Neighbourhood Plans and opportunities. About 35% of the population in England live in an area with a Parish Council³. In these areas businesses may suggest to the Parish Council that a plan should be prepared but they will not form part of the constituted body developing the plan. In these circumstances, businesses will be involved through the consultation process. However, they could sponsor the process, and thus have a greater influence in the outcome.

In unparished areas a Neighbourhood Forum will need to be established to propose and develop a Plan. The Forum must write a constitution and it needs to be representative of the area it covers. Under changes to the Localism Bill, it should constitute a minimum of 21 people. Business interests can and should be represented on the Forum, which may even be business-led.

What is a neighbourhood?

There appear to be no fixed definitions, as the amendments to the Localism Bill would seem to encourage the preparation of neighbourhood plans for industrial estates and town centres as well as for predominantly residential areas. Parish Councils and Neighbourhood Forums are free to define their own neighbourhood boundaries, subject to approval from the Local Authority.

How do businesses currently collectively engage in Planning

Under the present planning system most businesses only engage with the planning system when they wish to build a new or extend existing premises or facilities. All businesses have the opportunity to participate in the local plan process through public consultation events and formal representations on proposed planning policies. However, at present most engagement with local planning occurs through representative or umbrella bodies such as local business partnerships, chambers of commerce, and Business Improvement Districts (BIDs).

Will business be engaged in Neighbourhood Planning if they do not form part of the Neighbourhood Forum?

Yes – the HM Treasury / BIS ‘Plan for Growth’ states that the Government will set out clear requirements for any Neighbourhood Forum or Parish Council to consult and engage local business and take into account their views in preparing Neighbourhood Plans. Neighbourhood Plans will only be adopted if they fit with the national and local planning policy, and they show that they have considered representations from everyone with an interest in the area, including business.

Who would represent business in the process?

The Government is not prescriptive as to how businesses should be represented in the process. It is up to business to decide how they should become involved by engaging with the relevant Forum or Parish Council. This could be through a Traders Association or Town Centre Manager for example. National companies will need to decide whether they should be represented by the local office / store manager, or whether a co-ordinated approach through Regional office or HQ is needed.

What is the relationship between a Business Improvement District (BID) and a Neighbourhood Plan?

A Business Improvement District is a precisely defined geographical area within which the businesses have voted to invest collectively in local improvements to enhance their trading environment. BIDs tend to be found in primarily business areas and the finance they raise is often spent on local area improvements, such as public realm and lighting. Some BIDs do cover wider catchment areas, including a resident population. The Bankside BID in London is a good example of this: it may be this outreach that is part of the rationale behind the designation of this area as a Business Neighbourhood Plan Front Runner.

Are there any other benefits for businesses?

The adoption of a Neighbourhood Plan or Neighbourhood Development Order (NDO) could potentially represent major cost savings for businesses associated with the preparation and submission of planning applications. They could help to unblock sites and opportunities previously held up by restrictive planning policies which have inhibited the ability of businesses to grow and respond to the changing needs, demands and requirements of customers. The proposals are intended to help enable businesses to remain competitive in a rapidly changing economic market.

The potential to bring forward Local Development Orders (also referred to as Neighbourhood Development Orders) could be a very strong incentive for businesses to become involved in Neighbourhood Planning⁵. The granting of LDOs or NDOs could provide a flexible long term framework providing certainty for businesses, allowing future change and direction to be accommodated.

Known as 'Community Right to Buy', the Localism Bill also introduced the ability for communities to bid to takeover and run community assets, such as libraries and community centres. What is not known is whether a business-led neighbourhood planning forum will be eligible to bid to run these assets in the same way a 'community' might be able to. If they are, this might provide an added incentive for a business (or businesses) to actively participate in the Neighbourhood Planning process.

What can you do?

- If you are a small business speak to your local authority to find out whether there is a proposal for a neighbourhood plan in your area and if so, who is leading its preparation. Contact them and get involved.
- If you are a larger business with multiple premises across a wide geography, find out whether any of your branches/offices are in areas covered by the 126 Frontrunners being funded by Government. If so, contact the relevant local authority to find out how to get involved.
- The Localism Bill is currently working its way through Parliament. Its main provisions are expected to come into force in April 2012.

End Notes:

1. Consultation Draft National Planning Policy Framework was published on 25 July 2011. The consultation closes on 17 October 2011.
2. Government has announced 126 Neighbourhood Planning Front runners in total. All have received £20,000 in funding. Eight are specifically Business-led.
3. A list of parishes can be found at http://en.wikipedia.org/wiki/List_of_civil_parishes_in_England
4. Plan for Growth (HMT/BIS, March 2011) http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf
5. Local Development Orders (LDOs) are a mechanism designed to give specific types of development planning permission without the need to apply to the local authority.