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Patron HRH The Prince of Wales

Rt. Hon. Rishi Sunak MP Chancellor of the Exchequer HM Treasury Chief Secretary's Office 1 Horse Guards Road London SW1A 2HQ

By email: Action.Chancellors@hmtreasury.gov.uk

Cc:

Steve Barclay MP, Chief Secretary to the Treasury Robert Jenrick MP, Secretary of State for Housing and Planning Christopher Pincher MP, Minister for Housing and planning

21 October 2020

Re: Format of the Comprehensive Spending Review

Dear Chancellor,

Planning is the gateway to construction, and a key facilitator of green growth across the UK. Our 25,000 strong membership of Town Planners play a key role in ensuring a healthy development pipeline.

I understand the reasoning behind today's announcement of a temporary reformatting the multi-year Comprehensive Spending Review process in favour of a one-year spending round; the pandemic has had a significant impact on public finances and the shape of the economy.

However, certainty for local authority planning departments will be key to ensuring continuing investment in infrastructure and development. I urge a commitment to a longer-term funding settlement for planning, and at a minimum an urgent injection of funds in the November round.

Local planning authorities, developers and investors will need urgent clarification of how the change to the CSR format will impact planning, or risk serious harm to the project pipeline. This could have a substantial economic impact on the UK as a whole; in 2018, the construction sector alone contributed £117 billion to the UK economy (6% of GDP), and 6.6% of UK jobs.

Developers have repeatedly made the case that investment in the planning system is crucial to project efficiency and to incentivise investment in development. Repeated reports and evidence from developers of all sizes show that inadequate resourcing of planning departments is one of the primary issues behind development delays.

In <u>our submission to the CSR</u>, we set out the requirement for £500 million further funding for planning over a full CSR cycle, equivalent to around £125m per year or £370,000 per authority per annum. This fund is critical for ensuring we can "build, build, build" and ensure continuing confidence in our ability to deliver development, to ensure a healthy project pipeline.

Local authorities' total net spending on planning was just £401m in 2017-18 (around 0.5% of their total net spending), down in both absolute and relative terms from 2009-10. Furthermore, recent expansion of prior notification processes associated with permitted development rights have reduced planning fee income without reducing the workload of departments.

Investment and certainty for planning are urgently needed, to ensure we continue to see a strong construction pipeline on which millions of UK jobs depend. This is crucial for the UK economy as a whole, as well as key Government goals including the levelling-up agenda, delivering 300,000 homes a year and reaching net zero.

We would welcome clarification of the situation with regards to investment in planning, and would be pleased at the opportunity to meet with a member of your team to discuss the situation in more detail. Planners play a key facilitative role within the UK economy, and investment in this area will have a significant knock-on impact on development and construction as a whole.

Yours sincerely,

Victoria Hills MRTPI FICE Chief Executive Royal Town Planning Institute