

Future of Freight

Logistics and Borders

Third Floor Great Minster House

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Response submitted by email only to: freightandplanningcfe@dft.gov.uk

5th October 2023,

Dear Sir / Madam,

Department for Transport – Call for evidence – Future of Freight: A Long Term Plan

I am writing on behalf of the Land, Planning and Development Federation (LPDF) to respond to the current call for evidence regarding the freight and logistics sector and the planning system. This response starts by providing a brief introduction to the LPDF and then moves on to answer a number of the specific questions set out in the consultation document.

About the LPDF

The LPDF was set up in April 2018 and represents land promoters, housebuilders and commercial development businesses, of all sizes, who due to their land interests interact with the planning system across England to establish the principle of development. As a consequence of these multiple daily interactions with Local Planning Authorities (LPAs) and consultees throughout the country we are uniquely placed to comment on both the plan making and decision taking components of our planning system.

LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing “shovel ready” land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach. The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.

- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

Our role is to represent our members best interests, to encourage good practice and to disseminate information and advice so that they can perform their role better, more efficiently and more sustainably in the future. The LPDF seeks to represent its members' views and to influence Government planning, housing and commercial development policy.

Question 1. In your view, how effective are local plans at identifying development need, and then allocating sites, for freight and logistics and how could this be improved?

In general, the LPDF do not believe that local plans are effective at identifying the scale of development needs or allocating sites for freight and logistics. A key reason behind this inefficiency is, we believe, the lack of clear national policy or guidance for this sector.

The LPDF note that the employment evidence supporting local plans is often very old, and unlike with regards to housing evidence and the requirement to demonstrate a five years supply of housing land, there is nothing to ensure that LPAs have up to date and effective evidence to support the employment policies in the local plan and to deliver sufficient land for employment uses. It is often the case that local plans include only the bare minimum on employment and specifically on freight and logistics.

The LPDF believe that a significant flaw in the planning system is the lack of focus on the freight and logistics sector, and employment more generally. As we see it, housing is always placed at the forefront of discussions and debates and the employment elements of local plans is often seen as a bit of an afterthought. National planning policy would benefit from taking a more collaborative approach to the housing and employment sectors and establishing the mutually beneficial elements of these.

The LPDF are of the view that LPAs and national government do not fully understand the freight operators' model and also the economic impact on jobs that this sector can provide. From our understanding, gained from our members, LPAs are often of the opinion that the freight and logistics sectors will only deliver low skilled, low paid jobs. There is a weight of evidence to the contrary. We believe that it would be beneficial for freight and logistics operators to have a greater level of involvement in the evidence gathering and plan preparation stages.

A key impact on the effectiveness of local plans at identifying freight and logistics needs and allocating sufficient land in the correct locations to meet this need is the fact that there is currently no standard method for assessing employment land requirements. As discussed in response to question 2 below, this often results in LPAs merely undertaking a trends-based analysis, and whilst historical analysis

such as this is useful, it does not take any account of structural changes or shifts within the employment sector.

When looking at preparing Strategic Housing and Economic Land Availability Assessments (SHELAAAs) or Housing and Economic Development Needs Assessments (HEDNAs), LPAs on the whole tend to involve the residential providers, but for employment land studies, there does not seem to be the same need to do so. The LPDF believe that this approach needs to change and that employment land providers, including those in the freight and logistics sector, should be actively involved in the process for determining the scale of need within an area.

With regards to our comments for question 1, we would like to raise a number of case study examples which help to demonstrate the challenges faced by this sector. Firstly, Buckinghamshire, which is a newly formed council, comprising the former Aylesbury Vale, Chiltern, South Bucks and Wycombe districts. Two of the former districts (Chiltern and South Bucks) have existing local plans which are already out of date and are therefore lacking any current employment requirements or allocations. Whilst we acknowledge that South Bucks and Chiltern were previously planning on preparing a joint development plan document (but that was withdrawn from Examination in 2020), which would have covered employment needs, this is no longer the case and more than a decade on there are still no up to date employment policies in place. The consequence of this means that there is little opportunity to identify and meet logistics needs unless applicants take the risk to pursue speculative development.

The second case study example we wish to raise is the Greater Nottinghamshire authorities of Broxtowe, Gedling, Nottingham City and Rushcliffe who are jointly preparing the Greater Nottingham Strategic Plan. The Greater Nottinghamshire authorities consulted on a Regulation 18 version of the local plan earlier this year. However, this was an incomplete draft and failed to include strategic employment needs and requirements. Instead, the authorities have noted that the approach to employment, including strategic distribution, will be contained in the Regulation 19 version of the local plan. The LPDF believe that deferring the employment strategy until the Regulation 19 version is too late in the day and provides little scope for the sector to influence and shape the plan with regards to logistics. This approach lacks transparency and is likely to lead to criticism when the plan reaches Examination stage. This example demonstrates how with regards to freight and logistics, the plan making approach is neither transparent nor consistent across the board. This type of omission at the Regulation 18 stage, simply would not be allowed to happen with regards to housing and we believe the same stance should apply for the employment strategy.

Question 2. How effectively are the policies in the national planning policy (Chapter 6) and associated practice guidance applied by plan makers in supporting the needs of freight and how could this be improved?

The LPDF note that the National Planning Policy Framework (NPPF) contains very minimal policy and guidance on the economy, with this being covered by just one chapter containing just 5 paragraphs. We do not consider this to be sufficient or effective in driving forward both national and local economic growth and supporting the needs of the freight and logistics sector.

The LPDF are of the view that overall, the guidance that is provided is too vague and the needs of the wider economy seem an afterthought. National policy on this needs significant improvement, to have a greater focus and to be more specific in its guidance and requirements.

Specifically, we suggest that national policy could split the guidance and policy out to provide details for the various levels / hierarchies that LPAs should consider in terms of the economy and specifically freight and logistics, from the larger freight and logistics parks on major trunk roads, down to the smaller more local level facilities. These varying facilities will have very different requirements and needs and therefore the policy needs to reflect this. For example, the different types of facilities will have different locational requirements, you would not want a large regional parcel delivery distribution unit, such as Amazon, in the middle of a town, this would be far more appropriate on or close to a key motorway junction. This would likely result in a more efficient use of land and would create less environmental impacts and traffic congestion. We believe that these kind of size and locational requirements should be set out within national policy.

A specific concern that the LPDF raise with regards to the national policy and guidance is that unlike the standard method, used for calculating housing need, there is no structured way or firm policy guidance for undertaking an employment land study, or detailed guidance on how to establish employment land requirements. The LPDF believe that national guidance is needed on this.

Last year Savills and the British Property Federation focused on the ‘Suppressed Demand Model’ in their publication *Levelling up: the logic of logistics*¹. In this approach, future employment needs are modelled based on the current and future macroeconomic picture. Factored in are structural changes in the economy such as the turbocharged shift online caused by Covid and the increase in domestic inventory, with importers hedging against greater trading friction.

Contrast this with the way in which the supply of employment land requirements are currently prepared: a trend-based analysis – that is, historical take-up rates projected forward through the plan period with some minor adjustments to come up with the new local plan requirement. Historical analysis is helpful, but it takes no account of structural shifts.

The current and draft versions of the NPPF both say all the same right things: to set out a clear proactive vision and strategy; to allocate strategic sites to meet anticipated needs over the plan period; to address barriers to entry; to be flexible enough to respond to needs not foreseen in the plan; and to be able to respond rapidly to changes in economic conditions.

However, it could go much further. At this stage we are witnessing neither the level of ambition nor the accurate methodologies for forecast modelling that are needed. For a robust assessment of future land requirements it’s necessary to change the primary reliance on projecting forward historic employment trends. There is no clarity as to how LPAs are expected ‘to respond to needs not foreseen in the plan’ or what the mechanisms for doing so are.

Overall, in terms of national planning policy, this is currently far too vague and government needs to better understand what the industry needs and reflect this within policy. DLUHC and DfT need to work together on developing the national policies to ensure that the NPPF truly takes account of the freight and logistics sector and provides the necessary national policy to ensure its successful delivery.

The LPDF believe that there is poor alignment between housing and employment policy at a national and local level and the pressure that is placed on LPAs to provide an up-to-date 5YHLS for housing without the need for an equivalent plan for quality employment land, has led to a declining supply of high-quality land for commercial developers.

¹ [Savills Blog | Planning for suppressed demand in the Industrial & Logistics sector](#)

The government needs to ensure, in its changes to the NPPF, that they do not lose sight of the impacts that its new policies will have on the commercial development sector. More emphasis needs to be placed on ensuring an adequate supply of both land for housing and land for employment generating uses is provided for, through LPAs preparing and regularly reviewing their local plan and by ensuring that a wide variety of sites in various locations are made available for both sectors to deliver. This will ensure that the right balance is struck between housing and economic growth which will assist the government in meeting its Levelling-up aspirations.

Overall, the LPDF are of the view that there is not enough recognition of the freight and logistics sectors and the key role that they play in the economy. Freight and logistics needs often cross administrative boundaries, and due to it being a sector that operates globally, decisions to operate from a particular location are often made for wider geo-economic reasons such as transport connectivity and the supply chain network. It is important that this sector is considered at a larger than local level, with groups of authorities working together strategically, and national policy needs to enable and encourage this. With this in mind, we believe that consideration of the freight and logistics sector is best undertaken at a strategic level and could be incorporated within whatever the government introduces to replace the Duty to Cooperate.

Question 3. How effective is engagement between industry and local authorities in the course of local plan making? How can this be improved?

From our understanding, engagement between the industry and local authorities does not seem to be very effective, and the LPDF believe this to be a missed opportunity. Greater involvement from the industry would assist in ensuring that local plan policies better reflect the needs of the freight and logistics sector and act to enable greater economic growth.

The LPDF recommend that it should be made a mandatory requirement for engagement to take place between the LPAs and the freight and logistics operators during the preparation of local plans.

Question 4. How effectively does planning currently support more efficient use of established freight and logistics infrastructure and how could it better support existing infrastructure?

The LPDF have no specific comments in response to this question.

Question 5. How should freight and logistics be factored into statutory local transport plans and sub-national transport strategies?

The LPDF have no specific comments in response to this question.

Question 6. What aspects of applications and decision taking process work well and what aspects do not work well?

A key issue with the planning system in general currently is the acute lack of resources, both in terms of officer time, skills and also the resources of statutory consultees. Due to the severe under resourcing of planning departments it is difficult for them to work pro-actively with applicants. Our members report that officers are often hard to reach and in some cases completely uncontactable. This means that issues that could quite probably be resolved easily go unaddressed through the determination period.

The LPDF question whether there are some more minor applications, such as operational requirements for freight and logistics facilities (e.g. security fencing, car park barriers, extensions etc.)

which could be covered by permitted development rights. This would then free up more officer time for dealing proactively with the larger, more complex freight and logistics applications.

LPDF members have reported the unpredictable nature of decision making as an issue. With the planning committee often going against officer recommendation, even on allocated sites. The LPDF believe that planning committee members are in need of proper training to ensure they have up to date understanding of the planning system and that the decisions that are being made are based on true material considerations.

Question 7. How effective is the planning system at addressing the operational needs of the freight and logistics sector and how could this be improved? How could a national freight network be recognised in national planning policy?

The LPDF have no specific comments in response to this question.

Question 8. How can the planning system support our net zero ambition for freight and logistics?

The LPDF have no specific comments in response to this question.

Question 9. What more could local plans and decisions do to facilitate the supply of high-quality HGV parking and driver facilities?

The LPDF believe that the NPPF or the Planning Practice Guidance (PPG) could be amended to require local plans to include policies which consider the need for HGV parking, and welfare facilities such as toilets on freight and logistics sites. A positively worded policy which encourages these types of facilities to be included within sites could help to improve the quality of these facilities. This could be both to address their own needs but also to provide facilities to other nearby freight and logistics sites which may currently not offer these basic facilities. The PPG could easily be amended to provide details on what should be considered as ancillary to these schemes.

Question 10. How can planning policy in England help to support the freight and logistics sector across the whole UK?

As outlined in response to question 2, significant improvements are needed to national planning policy and guidance, to help ensure that local plans adequately cater for the needs of the freight and logistics sector.

Conclusions

In conclusion, the LPDF welcome the opportunity to comment on the freight and logistics sector and how it interacts with the planning system. The LPDF believe that there is an acute need for further clear national policy and guidance with regards to the freight and logistics sector, to ensure policies and allocations in local plans are effective and that freight and logistics is recognised as playing a vital role in the UK economy.

Freight and logistics, and employment uses more generally, should not be seen as an afterthought to housing as they have a key role in the economic growth and success of the country. Housing and economic growth policies and strategies need to be aligned in order to ensure that opportunities are not missed, and that economic growth is maximised.

A key issue, we believe, is at what level these matters need to be addressed. Overall, the LPDF believe that the needs of the freight and logistics sector requires in depth consideration, understanding and

analysing the options and that this might be best done at the strategic level, perhaps through whatever the government intends to replace the Duty to Cooperate with. Greater consultation and involvement of freight and logistics operators throughout the plan making stages will be critical in determining the scale and location of this specific need.

I hope that this response is helpful and if you wish to discuss these matters in any further detail, the LPDF team would be only happy to assist.

Yours Faithfully,



Nicole Burnett

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