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## **Planning and Infrastructure Bill**

### Parliamentarian briefing: Committee Stage, April 2025

The CBI represents 850 members who themselves comprise 1,100 separate registered companies and 150,000 trade association members. Founded 60 years ago and representing some of the biggest names in business, household brands and globally traded corporations that employ people in all sectors and across every region and nation of the UK, the CBI is the voice of business.

The views expressed in this brief have been gathered from ongoing engagement with CBI members, including the CBI Infrastructure, Planning Policy and Net Zero Working Groups, as well as individual member conversations. The sectors represented include construction, energy, aviation, retail, financial services, law, higher education, logistics and manufacturing.

#### Executive summary

Businesses strongly support the Government's direction in reforming the planning and infrastructure system to drive growth. The Government has already made positive reforms through the revised National Planning Policy Framework (NPPF), which the OBR has assessed will drive £15bn in GDP growth over the next 10 years<sup>1</sup>. This bill makes further progress in driving growth, and the CBI supports the key measures.

However, to reap the full potential of the Bill's proposals, equal focus needs to be given to adequately resourcing the regulatory and delivery bodies responsible for implementing these reforms, particularly in Local Planning Authorities (LPAs) and Natural England. Insufficient funding and support will undermine the Bill's objectives to promote economic growth, improve living standards, and support the Clean Power by 2030 target.

#### CBI supports the key measures in the Bill

- 1. **The CBI welcomes the Planning and Infrastructure Bill**. It represents progress in reforming the planning system and moves the dial on delivering critical national infrastructure
- Business strongly supports the Government's proposals in clauses 44, 45 and 46 to ringfence planning fees, introduce a national scheme of delegation, and introduce mandatory training for councillors on planning committees. All of which the CBI called for in the CBI's *Planning for Growth* report<sup>2</sup> and will improve the speed and service of the planning system

<sup>&</sup>lt;sup>1</sup> <u>CP 1289 – Office for Budget Responsibility – Economic and fiscal outlook – March 2025</u>

<sup>&</sup>lt;sup>2</sup> <u>cbi-planning-for-growth.pdf</u>

- 3. On infrastructure, **business welcomes the move to curb judicial review attempts from three to one**. Moreover, the reforms to ensure 5-yearly updates for National Policy Statements are sensible so investors have clarity over timelines
- 4. **Businesses endorse the principle of the Nature Restoration Fund** to simplify developer contributions, but its success relies in the sufficient resourcing of Natural England. More clarity is also needed on how it will function alongside Biodiversity Net Gain
- 5. On strategic planning, the CBI supports the approach and believes this work is best led by Mayoral Strategic Authorities. Mayors understand the growth mission and can bring holistic place-based thinking with increasing powers over areas like transport proposed in the devolution white paper
- 6. Businesses welcome the proposed reforms to Scotland's electricity infrastructure consenting process, as these changes streamline decision-making and enhance pre-application consultations

#### But blockers remain that government should address

- 7. However, firms feel that the impact of the planning reforms will be constrained while there is such a chronic shortage of skilled planners in Local Planning Authorities (LPAs). The Government should look to act by implementing regional planning hubs, as called for in the CBI's spending review submission<sup>3</sup>, as well as allowing applicants to pay for private sector consultants and building further on the announcement for 300 new planners made at the Autumn Budget
- 8. Moreover, businesses feel proposals on infrastructure can go further to streamline delivery. This includes the need to ensure Development Consent Orders (DCOs) are a one-stop-shop for all related consents, as well as the option for DCOs to be confirmed by Parliament as Hybrid Bills

#### **CBI position on Bill clauses**

#### Part 1 – Infrastructure

- Clause 1 Updates to National Policy Statements (NPS). The CBI is supportive of the clause to give clarity on the frequency of updates to the National Policy Statements. To ensure LPAs are aware of changes and to reduce the lag time in delivery, government should outline the scope of what NPS reviews will cover ahead of time. Moreover, government should exempt the NPS for Airports from the 5-yearly review, given that applications for airports are project specific and prone to judicial activism
- **Clause 3** Disapplying requirement for development consent. The CBI is supportive of the approach to flexibility in projects being prescribed through the NSIP regime or

<sup>&</sup>lt;sup>3</sup> The CBI's 2025 Spending Review submission | CBI

local planning. This was included in the CBI's response to the NPPF consultation, as large infrastructure developers have told the CBI that in some cases, they were better suited to go through local planning

- **Clause 5** Statutory consultees. The Government is right to review the number of statutory consultees, as well as clarifying that decisions should not be delayed beyond the 21-day deadline for statutory consultee responses
- **Clause 8** Judicial review. The CBI is supportive of the move to restrict major infrastructure projects to one judicial review. However, the proposed 'totally without merit' principle will likely have limited impact on streamlining the judicial review process, as it will only apply in the most frivolous and vexatious cases
- **Clause 14** Scotland consenting for electricity infrastructure. Businesses endorse the Bill's proposals to modernise the consenting process, making it more efficient while ensuring robust community and environmental engagement. However, the Government should place the 12-month timescale for consenting determinations for transmission infrastructure on a statutory footing. This would ensure that the timelines are legally binding rather than advisory guidance and align with statutory timescales that are established in the Town and Country Planning (Scotland) Act

#### Amendments to build on NSIP reform

- The Government should allow Development Consent Orders (DCOs) for projects that are "critical national priorities" to be confirmed by Parliament after the Secretary of State's decision. This could be made immune from judicial review and deliver the same guarantees that "Hybrid Bills" grant to major projects such as HS2 when Parliament enshrines them as legislation. This would provide greater certainty and remove unnecessary delay
- Moreover, government should ensure that DCOs are a one-stop-shop for all the consents that are required for major infrastructure projects. The time taken under NSIP of 4.2 years<sup>4</sup> means it is not operating as a fast-track mechanism. Currently, businesses must obtain multiple authorisations including environmental permits, waste permits, road permits, construction consents as well as the overall DCO approval itself. To ensure the NSIP process is truly a fast-tracked, streamlined process, the DCO approval should grant all authorisations at the same time

#### <u>Part 2 – Planning</u>

• **Clause 44** – Fees for planning applications. The CBI is supportive of the clause to allow LPAs to vary fees within a set parameter, as well as ensuring that revenue is ringfenced for spend on LPA services. These recommendations were included in our *Planning for Growth* report and will help put the planning system on a more sustainable financial footing. It is important that businesses paying increased fees

<sup>&</sup>lt;sup>4</sup> Factsheet: Critical infrastructure reforms - GOV.UK

see that the revenue is being ringfenced to improve the planning system, and they start to see a level of service improvement over time. The Government should take direct action on LPAs with a consistent record of lengthy delays, as it is doing on the enforcement of up-to-date Local Plans

- **Clause 45** Training for councillors on planning committees. The CBI is supportive and recommended mandatory training in the *Planning for Growth* report
- **Clause 46** National scheme of delegation. The CBI welcomes the clause, and businesses believe this measure will help to reduce delays and take out the local politics from applications that already align with Local Plans
- Clause 47 Spatial development strategies (SDS). The CBI is supportive of regional spatial planning, especially when considering infrastructure projects that cut through multiple local authority areas. This is best achieved at Mayoral Strategic Authority level, as Mayors understand the growth mission and can integrate plans for infrastructure and new housing with their own powers over areas like transport
  - The SDS should also incorporate planning for employment sites as well as for new housing. This is particularly important for employment uses that require a 'larger-than-local' approach, such as logistics hubs
  - The Government should ensure that additional resourcing will be provided for bodies that are charged with responsibility for SDS, alongside clarifying how the strategy will interact with other spatial plans such as the Strategic Spatial Energy Plan (SSEP) and Regional Energy Spatial Plans (RESP)

#### Resourcing LPAs to unlock planning potential

With an increasing share of planners working in the private sector, and real wages for planners declining<sup>5</sup>, 80% of LPAs now report a shortage of planners to tackle their workload<sup>6</sup>. Businesses frequently report of LPAs having no capacity to process applications. Therefore, while planning reforms are welcome, better resourcing of LPAs is a prerequisite to ensure reforms are effective in practice. The Government should take steps to address this by **implementing regional planning hubs**, **going further on the announcement for 300 new planners and provide continued access to the Growth and Skills Levy to fund Chartered Town Planner Level 7 apprentices** 

While the problem with resourcing persists, and with the necessity for speed in planning reform to drive growth, government should consider using planning procedures akin to special development orders to consent for critical infrastructure and housing. In addition, government should take forward proposals laid out in the brownfield passports working paper<sup>7</sup>

<sup>&</sup>lt;sup>5</sup> RTPI | State of the Profession 2023

<sup>&</sup>lt;sup>6</sup> RTPI | Planning Enforcement Resourcing

<sup>7</sup> Planning Reform Working Paper: Brownfield Passport - GOV.UK

#### Part 3 – Development and nature recovery

- **Clause 48-60** Environmental Development Plans (EDPs). Clarification is needed on which projects qualify for an EDP. Under the Bill's proposals, Natural England has the discretion to determine a project's eligibility for an EDP. To avoid delays in the planning process, projects identified as 'critical' in the Government's NPS should automatically qualify for an EDP. This would eliminate uncertainty for developers and support the Government's objective of delivering 150 critical infrastructure projects
  - There is also concern over the broad role of Natural England, as they are responsible for proposing and administering the levies paid by developers, while also using the funds to finance nature conservation projects. To ensure accountability and transparency, the CBI recommends establishing an appropriate scrutiny mechanism such as considering the separation of Natural England's regulatory and delivery functions
- Clauses 61-70 Nature Restoration Fund (NRF). The CBI supports the principle of the new NRF. The strategic pooling of environmental obligations, rather than conducting individual site-specific environmental assessments, will streamline planning requirements. However, businesses are concerned that the under resourcing of Natural England as the body administering the NRF, risks bottlenecks in practice
  - In 2023 the number of planning deadlines missed by Natural England due to resourcing issues increased by almost a third from 1,475 to 1,952 from the previous year.<sup>8</sup> Under the Bill, Natural England will play a critical and resource intensive role of issuing EDPs and implementing strategic conservation measures. For the NRF to have the desired effect of reducing delays whilst enhancing the effectiveness of conservation efforts, it is essential that Natural England is adequately supported to manage applications
  - Businesses also want to see clarity on how the NRF will operate alongside the existing measures for Biodiversity Net Gain (BNG). The Bill does not propose to remove or amend the existing BNG requirements even when developers have contributed to the NRF. Without further detail on the environmental obligations, there is a risk of creating compliance complexity, which could undermine the NRF's intention to streamline planning requirements for developers

#### Part 4 – Development corporations

No comment on clauses

#### Part 5 – compulsory purchase

No comment on clauses.

<sup>&</sup>lt;sup>8</sup> Planning deadlines missed by Natural England because of staffing problems soars by a third | Prospect