

Real Estate:UK response to MHCLG's consultation on Consulting the Secretary of State on planning decisions

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Real Estate:UK

Real Estate:UK (RE:UK) brings together global and domestic capital, world-leading expertise and forward-thinking policy to drive growth.

With over 500 member organisations spanning investors, developers, advisers and operators, we represent the full breadth and diversity of the commercial real estate market, worth £950bn to the UK economy.

We connect UK and international investors with the insight, networks and opportunities that make the UK one of the world's most dynamic and investable markets.

Working closely with national governments and their agencies, as well as regional and local leaders, we promote the UK real estate sector as a premier destination for capital. Through direct engagement with ministers, policymakers and advisers, we help shape a regulatory environment that unlocks growth and builds investor confidence.

We support thriving communities across the UK through the homes, workplaces, critical infrastructure such as logistics and data centres, and retail and leisure centres our members build, maintain and operate.

The planning system plays a critical role in enabling this investment, particularly in the delivery of strategic commercial development, including industrial and logistics and other employment uses that underpin economic growth, supply chains and regional productivity. Industrial and logistics development in particular provide the infrastructure that supports the movement of goods across the UK economy. The sector supports around 4.5 million jobs, generates approximately £287 billion in economic activity each year, and contributes around £84 billion in public revenues, underlining its importance as a key part of the UK's economic infrastructure.

Ensuring that planning decisions for such development are taken efficiently, consistently and with appropriate regard to national policy priorities is therefore of significant importance to our members. We welcome the opportunity to respond to this consultation and have focused our comments on how the proposed measures can best support timely decision-making, investor confidence and the delivery of economically important development across England.

Question 1: Do you agree with this proposed consultation requirement for applications for large-scale, strategic commercial development where an LPA is minded to refuse?

RE:UK supports the proposal in principle to introduce a requirement for local planning authorities to consult the Secretary of State where they are minded to refuse applications for large-scale, strategic commercial development.

We recognise that such a mechanism could play a valuable role in supporting the delivery of nationally and regionally significant employment development, including industrial and logistics and other commercial uses that are critical to economic growth, supply chains and job creation. In particular, it may help ensure

that decisions on strategically important schemes are taken with appropriate regard to national policy priorities and wider economic benefits, rather than being determined solely by local considerations.

However, the effectiveness of the proposal will depend on how it operates in practice. We would highlight several important considerations:

- **Avoiding unintended behavioural impacts:** There is a risk that some local planning authorities may become more willing to refuse applications, knowing that the Secretary of State will ultimately take responsibility for the decision. This could lead to delays and additional uncertainty in the planning process, particularly if referral becomes a routine step rather than an exception.
- **Maintaining decision-making efficiency:** The process should be designed to ensure that it does not introduce unnecessary delay to the determination of applications. Clear timelines and streamlined procedures will be essential.
- **Clarity and transparency:** It is important that there is clear guidance on the criteria the Secretary of State will apply when deciding whether to call in an application. In particular, applicants should understand how decisions will be made and how national policy considerations will be weighed.
- **Implications of non-intervention:** Greater clarity is needed on the implications where the Secretary of State decides not to call in an application. It would be helpful to confirm that such a decision should not prejudice the outcome of any subsequent appeal.

Overall, we consider that, if appropriately designed, this proposal could provide a useful safeguard for strategically important commercial development. However, careful attention will be needed to ensure it supports delivery rather than creating additional process or delay.

Question 2: Do you consider the proposed area threshold of 15,000m² or more to be appropriate?

We have some reservations about the proposed threshold of 15,000m², and consider that further justification and refinement may be required.

The proposed threshold appears to align with the referral threshold used in London for the Mayor's consideration of applications. However, it is not clear that this provides an appropriate or consistent benchmark for identifying strategic commercial development at a national level, particularly given the diversity of markets and development typologies across England.

In many locations, particularly outside London and the South East, schemes below 15,000m² can still be of clear strategic importance. This is particularly the case in the logistics sector, where development is closely linked to strategic infrastructure, supply chains and labour markets that extend across multiple local authority areas. In these contexts, developments of around 9,000–10,000m² may represent significant employment-generating infrastructure and play an important role in supporting regional and national economic activity.

There is also an important distinction between different types of development which a single threshold does not capture. Strategic greenfield or grey belt schemes may often come forward at larger scales, whereas urban sites are typically smaller in footprint but can be no less strategically important in terms of their location, regeneration value, and economic function.

We would therefore recommend that government:

- Provides a clearer evidence base for the proposed threshold;
- Considers whether the threshold should be lowered or made more flexible to better reflect regional variations and different development typologies;
- Explores whether criteria based on economic impact, employment generation or strategic function may be more appropriate than a single, fixed floorspace threshold.

A more nuanced approach would help ensure that the policy captures genuinely strategic schemes, without excluding important developments that fall below an arbitrary size threshold.