

Agenda Item 5

Development Management Committee

28 July 2009

JFM



Consultation Paper on a new Planning Policy Statement 4: Planning for Prosperous Economies

Summary

This report advises Members of the publication of a Government Consultation Paper on a New Planning Policy Statement (PPS) 4: Planning for Prosperous Economies and provides a basis for a formal response to that document

Recommendations

Communities and Local Government be advised that:

1. The council welcomes:
 - i. The recognition in the draft PPS4 of the need for the planning system to support the economic aspirations of both urban and rural communities.
 - ii. The Government agreement with the key finding of the Matthew Taylor MP's review of rural housing and economy that we need a more subtle appreciation of what makes rural areas sustainable as is the recognition that economic sustainability is a prerequisite for social and environmental sustainability in both urban and rural contexts.
2. The Council's response to the specific questions asked in the consultation paper be as set out in Appendix 1.

a) Reasons for Recommendation

So that members can comment on the draft Planning Policy Statement

b) Alternative Options

Members could amend or make different comments from those recommended.

c) Risk Considerations

Not commenting on the draft statement would mean that the Council's views would not be taken into account by Government in preparing the final version of PPS4.

d) Policy and Budgetary Considerations

Not applicable

e) Date for Review of Decision

Not applicable.

1.0 Background

Introduction

1.1 The Consultation Paper which is the subject of this report seeks views on combining all National Planning Policy Statements (PPSs) on economic development – in urban and rural areas, and town centres – into a single ‘consolidated’ PPS.

1.2 The Consultation Paper takes forward a number of important Government commitments, which were originally set out in the White Paper: Planning for a Sustainable Future (May 2007), including:

- Proposals for ‘... a more strategic, clearer and more focused national planning policy framework ...’
- A commitment to the re-enforcement of national planning policies in respect of economic development, and
- A commitment to improve the effectiveness of town centre planning policies.

1.3 The Consultation Paper draws together into a single statement previous draft consultations on a New PPS 4: Planning for Sustainable Economic Development (2007) and Proposed Changes to PPS 6: Planning for Town Centres (2008).

1.4 The Consultation Paper which is the subject of this report envisages that the PPS now proposed would replace the following:

- Planning Policy Guidance (PPG) Note 4: Industrial and Commercial Development and Small Firms (1992)
- PPG Note 5: Simplified Planning Zones (1992) (... to be re-published as Practice Guidance)
- PPS 6: Planning for Town Centres (2005)
- The economic development elements of PPS 7: Sustainable Development in Rural Areas (2004), and
- Selected parts of PPG Note 13: Transport (2001).

Proposals

1.5 The Ministerial Statement accompanying the publication of the Consultation Paper highlights the need for the planning system to support the economic aspirations of both urban and rural communities. The Statement emphasises the need for development plans to have clear, proportionate and flexible policies aimed at supporting the start up and growth of businesses. It emphasises the need to protect existing investment in our cities and towns by safeguarding the town centres , which are the bedrock of our economic future. The Government agrees with the key finding of the Matthew Taylor review that we need a more subtle appreciation of what makes rural areas sustainable. Further, that economic sustainability is a prerequisite for social and environmental sustainability in both urban and rural contexts.

1.6 Important policies proposed for inclusion in the new PPS are (briefly summarised) as follows:

From the Consultation Paper on a New PPS 4 (2007):

‘... considering planning applications for economic growth favourably unless there is a good reason to believe the costs outweigh the benefits. Developing plans that take account of long term economic benefits, including the wider regional and national economy such as job creation, and promoting opportunities to regenerate deprived areas and support business diversification in rural areas.’

From PPG 5 (1992):

‘... encouraging local authorities to make full use of the planning tools available to them to simplify and speed up the planning process, such as creating simplified planning zones.’

From PPS 6 (2005):

‘... promoting the vitality of town centres, consumer choice and retail diversity. Removing the ‘needs’ test, which requires developers to show there is need for their proposal. Retaining the sequential test, which requires developers to seek the most central sites first, and a tough ‘impact test’ which assesses proposals against economic, social and environmental criteria so that councils can assess its impact on the town centre in reaching their decision.’

From PPS 7 (2004):

‘... provide for sustainable economic growth in keeping with the need to protect the countryside. This responds to a key recommendation from Matthew Taylor MP’s review of rural housing and economy.’

Good Practice Guidance will be published separately.

1.7 The text of the proposed PPS includes, inter alia, individual Sections concerned with the following:

1.8 What is Economic Development? The proposed PPS clarifies the scope of the terms ‘economic development’, ‘main (town centre) uses’, and ‘town centres’ (or ‘centres’).

1.9 The Government's Objectives for Prosperous Economies. These can be summarised as follows:

- To achieve sustainable economic growth
- To raise the productivity growth rate of the UK economy
- To build prosperous communities by improving economic performance, promoting regeneration and tackling deprivation
- To deliver more sustainable patterns of development and respond to climate change issues
- To promote high quality and inclusive design
- To improve accessibility to existing or new development
- To promote the vitality and viability of town and other centres, and
- To promote social inclusion.

1.10 Plan Making Policies: This Section of the proposed PPS is discussed under the following headings:

1.11 Using Evidence to Plan Positively (Policy EC 1):

- The proposed PPS emphasises the importance of a robust evidence base (... in helping to understand the needs of existing businesses and likely changes in markets).
- The evidence base should underpin Development Plan policies throughout a Local Authority's (urban and rural) area.
- The evidence base should inform decisions on planning applications.
- The proposed PPS itemises individual components of the evidence base at the local level, including: detailed employment land needs; reviews of land supply for economic development; the need for additional floorspace for main town centre uses; the capacity of centres to accommodate new development; and deficiencies in floorspace provision more generally (... together with opportunities to remedy such deficiencies).
- The proposed PPS itemises (quantitative and qualitative) components of the need for retail and leisure development.
- The proposed PPS considers evidence base issues bearing on the provision of 'new office development of local importance'.

1.12 Local Planning Approach to Economic Development (Policy EC2): The proposed PPS indicates that, through their Local Development Frameworks (LDFs), Local Planning Authorities should:

- Positively and proactively encourage sustainable economic growth in urban and rural areas '... based on a clear and proactive locally specific economic vision and strategy.'
- Make full and effective, appropriate use of available planning tools – such as Simplified Planning Zones – to simplify the planning process
- Prioritise suitable previously-developed land for re-use – setting out criteria-based policies. Consider the need to identify a range of sites, in order to facilitate a broad range of economic development (including mixed use)
- Support existing business sectors and make necessary provision for 'clusters or networks of knowledge-driven industry.'

- Where appropriate, plan to secure benefits that can arise from new business development which is compatible with neighbouring businesses or with other neighbouring developments
- Facilitate 'live/work' or 'home working' arrangements
- Ensure that site allocations for economic development are not 'carried forward' to new Development Plans without evidence of need and a reasonable prospect of take-up
- Encourage new uses for vacant or derelict buildings ... and
- Seek to make the most efficient and effective use of land and buildings.

The proposed PPS indicates that LDFs should contain policies which:

- If appropriate, plan for new or emerging sectors – but maintain policy flexibility as far as the accommodation of sectors not anticipated in the plan are concerned.
- Make provision for a broad range of 'business types' – and consider how such a portfolio would be delivered
- Set out evidence-based policies for the delivery of sustainable transport and other infrastructure considered necessary to support economic development ... and
- Identify, protect and promote key distribution networks, and locate or co-locate developments which generate substantial freight movements in such a way as to minimise carbon emissions. Such networks and developments should be in sustainably sited locations.

1.13 Local Planning Approach to Town Centres (policy EC5): The proposed PPS indicates that Local Planning Authorities should, through their LDFs/by way of their Core Strategies, set out a spatial vision and strategy for the management and growth of the centres in their area. As part of that vision and strategy, they should:

- Define a network and hierarchy of appropriate (non-Regional Spatial Strategy) lower order centres (... to meet the needs of their catchments and ensure that people's everyday needs are met locally)
- Make choices about which centres will accommodate any identified growth. Address deficiencies in the network – in the manner indicated in the proposed PPS
- Ensure that any significant change in the role and function of centres is brought forward by way of the Development Plan (... rather than by way of planning applications)
- Set out how identified growth and change will be managed across the network of centres – having regard to the need to promote investment and strengthen existing centres, especially those needing regeneration
- Address the needs of existing centres which are in decline – in the manner indicated in the proposed PPS
- Define the extent of the Primary Shopping Area and the Town Centre on their Proposals Maps, and consider distinguishing between realistically defined Primary and Secondary Retail Frontages in designated town centres (... with policies that make clear which uses will be permitted in such locations)
- Consider setting floorspace thresholds for the scale of 'edge-of-centre' and 'out-of-centre' development which should be subject to an impact assessment

- Where growth cannot be accommodated in identified existing centres, expand town centres and identify development opportunities (... ensuring that any extensions are carefully integrated with the existing centre)
- Have flexible town centre policies, which are capable of responding to changes over time
- Encourage residential or office development – as appropriate – above ground floor retail, leisure or other facilities within centres
- Ensure that housing in out-of-centre mixed use developments is not, in itself, used as a reason to justify additional floorspace for main town centre uses in such locations
- Identify opportunities within existing centres for sites suitable for development or redevelopment, or where conversions and changes of use will be encouraged for specific buildings or areas
- Use relevant vitality and viability indicators, market information and economic data to inform a range of planning tools (including Town Centre Strategies) intended to address (specified) issues associated with the growth and management of centres ... and
- (Where appropriate) in urban areas, encourage high-density development within existing centres which are accessible by public transport, cycling and walking.

1.14 Local Planning Approach to Planning for Consumer Choice and Promoting Competition for Town Centre Development (EC6): The proposed PPS indicates that Local Planning Authorities should proactively plan for consumer choice, and promote competitive town centre environments, by:

- Supporting the diversification of uses in the town centre as a whole
- Planning for a strong retail mix ('... so that the range and quality of the comparison and convenience retail offer meets the requirements of the local catchment area')
- Recognising the significant/valuable role that can be played by smaller shops
- Retaining and enhancing existing markets and, where appropriate, re-introducing markets or creating new ones
- Planning for a range of tourism, leisure and cultural activities ... and
- Implementing measures to conserve and enhance the (established) character and diversity of town centres.

1.15 Site Selection and Land Assembly for Town Centre Uses Policy EC7): The proposed PPS indicates that, in selecting sites for development for town centre uses, Local Planning Authorities should:

- Base their approach on the identified '**need**' for development
- Identify the appropriate '**scale**' of development
- Apply the '**sequential approach**' to site selection
- Assess the '**impact**' of development on existing centres
- Ensure that locations are '**accessible**' by way of a choice of transport modes ... and
- (In addition) consider the degree to which a range of other (specified) considerations may be material to the choice of appropriate locations for development.

The proposed PPS provides specific guidance on how Local Planning Authorities should set about:

- Judging the appropriate scale of development in different types of centre
- Applying the sequential approach to site selection
- Assessing the impact of proposed locations for proposed development on existing centres ... and
- Assessing whether locations are accessible.

The proposed PPS indicates that Local Planning Authorities should generally allocate sufficient selected sites to meet the identified need for at least the first five years from the date of adoption of their Development Plan Documents (... with a longer period, perhaps, in the case of large town centre schemes). In the apparent absence of sites of the right size and in the right locations, the proposed PPS indicates that Local Planning Authorities should set out criteria-based policies for assessing planning applications.

1.16 Managing the Evening and Night-time Economy in Town Centres Policy EC8):

The proposed PPS indicates that Local Planning Authorities should prepare planning policies to help manage the evening and night-time economy in appropriate centres, taking account of the Local Authority's Statement of Licensing Policy and the promotion of the licensing objectives under the Licensing Act 2003. They should ensure that such policies:

- Encourage a diverse range of complementary evening and night-time economy uses, which appeal to a wide range of age and social groups – ensuring that provision is made, where appropriate, for (specified) leisure, cultural and tourism activities ... and
- Set out the number and scale of leisure developments they wish to encourage – based on their potential impact (including cumulative impact) on a range of (specified) factors.

1.17 Local Planning Approach to Rural Areas (Policy EC 9): The proposed PPS indicates that economic development in open countryside away from existing settlements, or outside areas allocated for development in Development Plans, should be strictly controlled - most new development should continue to be located in or on the edge of existing settlements, and areas of countryside should continue to be protected – for a variety of reasons). The proposed PPS indicates that, subject to recognising the need to protect countryside, policies for economic development set out in the document apply equally to rural and urban areas. However, the proposed PPS specifies that, in addition, in rural areas, Local Planning Authorities should:

- Identify local service centres as the preferred location for new economic development
- Away from larger urban areas, focus most new development in or on the edge of local service centres, where a broad mixture of complementary uses can be provided close together
- Set out criteria to be applied to planning applications for farm diversification, and support forms of diversification compatible in their scale and impact with their rural location

- Seek to remedy any identified deficiencies in the provision of local shopping and other facilities which would address day-to-day needs – and help address social exclusion
- Where appropriate, set out policies for supporting equine enterprises (... the scope of such policies is briefly outlined)
- Set out circumstances where replacement of buildings would not be acceptable – and the permissible scale of replacement buildings ... and
- Where appropriate (e.g. in popular holiday areas) set out policies in respect of provision for ‘holiday and touring caravan sites and chalet developments’ (... the scope of such policies is briefly outlined).

1.18 Car Parking for Non-residential Development Policy EC10):

The proposed PPS indicates that Local Planning Authorities, by way of their Local Development Frameworks, should set maximum parking standards for non-residential development in their areas – ensuring alignment with Local Transport Plan policies. (... There should be no minimum parking standards – other than in respect of provision for disabled people). The proposed PPS lists factors which should be taken into account in setting maximum parking standards.

1.19 Decision Making Policies. These are series of policies (EC12 to EC 24) which reflect the Plan Making Policies and largely are in line with the Council’s Local Plan Policies. Attention is drawn to paragraph 5 of Policy EC12: Planning applications for economic development which states,

“support small-scale economic development where it provides the most sustainable option in villages, or other locations, that are remote from local service centres, recognising that a site may be an acceptable location for development even though it may not be readily accessible by public transport.”

This reflects the recommendations in Matthew Taylor MP’s review of rural housing and economy and is a view that has been supported by the Local Development Framework Panel.

1.20 Policy EC14: Local development frameworks: re-use or replacement of buildings in the countryside

PPS 7 Sustainable Development in Rural Areas (2001) had a separate section about replacement of buildings in the countryside. This states that the Government is supportive of the replacement of suitably located, existing buildings of permanent design and construction in the countryside for economic development purposes. Further that the replacement of non-residential buildings with residential development in the countryside should be treated as new housing development in accordance with the policies in PPG3. Policy EC 14 in the draft PPS by combining policies for conversion and replacement of buildings has lost this clear guidance that replacement of buildings that met the specified criteria are suitable for economic development purposes but proposals for residential purposes would be treated as a new housing proposal. There is also an overlap with Policy EC9 which requires local planning authorities to set out the circumstances where, in rural areas, replacement of buildings would not be acceptable and the permissible scale of replacement buildings.

1.21 Question 7 in the Consultation Questions posed in the Draft PPS is about Policy EC21 and this states:

“Policy EC21: The consideration of planning applications for development for town centre uses not in a centre nor allocated in an up to date development plan.

EC21.1 Having considered the evidence, local authorities should determine planning applications for town centre uses that are not in a centre or allocated in an up to date development plan in the following way:

1. refuse planning permission where the applicant has not demonstrated compliance with the requirements of Policy EC19 (the sequential approach).
2. refuse planning permission where there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of mitigation of or adaptation to climate change or any one or more other key impacts under Policy EC20.1(3) (the impact assessment).
3. consider proposals favourably where any adverse impacts under Policy EC20.1(3) are not significant and these are likely to be outweighed by significant wider economic, social and environmental benefits arising from the proposal under Policy EC20.1(4) or other material considerations.

EC21.2 Judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date). Recent local assessments of the health of town centres which take account of the vitality and viability indicators in Annex A of this policy statement and any other published local information (such as for example a town centre or retail strategy), will also be relevant.

- 1.22 This proposed policy does raise concerns. Firstly, about the definition of ‘significant adverse impacts’, which would lead to a proposal being refused, and ‘adverse impacts that are not significant’ where a proposal would be approved if these were outweighed by other significant benefits. Secondly, without a regularly updated evidence base about the health of town centres - which is expensive to maintain, the Council will be at a disadvantage against well resourced applicants.
- 1.23 The proposed response to the specific questions raised in the consultation paper are set out in Appendix 1.

Legal Implications

There are no legal observations.

Financial Implications

There are no financial implications.

Background Papers

Draft PPS4 - CLG – May 2009

John Maidment

Planning Policy Manager

Development Management Committee

28 July 2009

Appendix 1

Consultation Questions

1. **Do you support the consolidation and streamlining of national planning policy on economic development into a single policy statement? What do you think are the costs and benefits of the approach?**

Yes No

Comment: Although the document is long and complex, having all national guidance on economic development in one policy statement will make it easier for local authorities to locate relevant policies.

2. **Does the draft Statement include all that you understand to be policy from draft PPS4, PPG5, PPS6 and PPS7? If not, please be specific about what paragraphs in any of these documents you feel should be included in this document? Please can you explain why this should be the case?**

Yes No

Comment: PPS 7 Sustainable Development in Rural Areas (2001) had a separate section about replacement of buildings in the countryside. This made it clear states that the Government is supportive of the replacement of suitably located, existing buildings of permanent design and construction in the countryside for economic development purposes. Further, that the replacement of non-residential buildings with residential development in the countryside should be treated as new housing development in accordance with the policies in PPG3. Policy EC 14 in the draft PPS, by combining policies for conversion and replacement of buildings, has lost this clear guidance that replacement of buildings that met the specified criteria are suitable for economic development purposes but proposals for residential purposes would be treated as a new housing proposal. This guidance should be included in the new PPS. There is also an overlap with Policy EC9 which requires local planning authorities to set out the circumstances where, in rural areas, replacement of buildings would not be acceptable and the permissible scale of replacement buildings.

3. **Other than where specifically highlighted, the process of streamlining policy text previously in draft PPS4, PPS6 and PPS7 to focus on policy rather than guidance is not intended to result in a change in policy. Are there any policies which you feel have changed in this process? Please tell us what you think has changed and provide alternative wording that addresses your concerns.**

Yes No

Comment: It is understood that the proposals for a 'competition test' in respect of retail proposals in the draft PPS 6 are on hold pending the Competition Commission's reconsideration of this issue following the quashing of their original recommendation by

the Competition Appeals Tribunal. See also response to question 2 above.

4. **Does the structure of the draft Statement make it easier to understand what is required at different stages in the planning process? Are there any improvements you would like to see made?**

Yes No

Comment: The division into plan making and decision making policies is helpful.

5. **Do you think the restructuring of the impact test from the consultation draft of PPS6 achieves the right balance and is it robust enough to thoroughly test the positive and negative impacts of development outside town centres?**

Yes No

Comment: However, the impact test measures the wider positive and negative effects of retail and other town centre related development requires a wide range of factors to be examined and will be complex to apply.

6. **Should more be done to give priority in forward planning and development management to strategically important sectors such as those that support a move to a low carbon economy, and if so, what should this be?**

Yes No

Comment: Reverse the Secretary of State's proposed changes to policies G (Sustainable Construction) and RE5 Decentralised Energy to Supply New Development) in the draft South West RSS which limit the potential of the regions renewable energy businesses

7. **Is the approach to the determination of planning applications set out in policy EC21 proportionate?**

Yes No

Comment: This proposed policy does raise concerns. Firstly, about the definition of 'significant adverse impacts', which would lead to a proposal being refused, and 'adverse impacts that are not significant' where a proposal would be approved if these were outweighed by other significant benefits. Secondly, without a regularly updated evidence base about the health of town centres (which is expensive to maintain) to provide a basis to resist proposals that would damage a town centre local authorities will be at a disadvantage against well resourced applicants.

- 8. Do you think the requirement for regional spatial strategies to set targets for employment land targets for each district in their area should be imposed? Please give reasons for your view.**

Yes No

Comment: Regional Spatial Strategies should set out employment land targets for any regional/sub-regional strategic employment sites required in each district. Otherwise local authorities are better placed to set employment land targets for their areas than regional planning authorities. The draft PPs recognises (Policy EC1.1) that, "there is a limit to the extent local planning authorities can predict the future of their local economies and so a flexible approach to the supply and use of land will be important." Regional planning authorities will be in a worse position than local planning authorities to predict the future of local economies.

- 9. Do you agree the policies do enough to protect small or rural shops and services, including public houses? If no, please explain what changes you would like to see.**

Yes No

Comment:

- 10. In response to Matthew Taylor, we have altered the approach to issues such as farm diversification. What do you consider are the pros and cons of this approach?**

Yes No

Comment: The Government agreement with the key finding of the Matthew Taylor review that we need a more subtle appreciation of what makes rural areas sustainable is welcome as is the recognition that economic sustainability is a prerequisite for social and environmental sustainability in both urban and rural contexts.

- 11. Do you think that the proposals in this draft PPS will have a differential impact, either positive or negative, on people, because of their gender, race or disability? If so how in your view should we respond? We particularly welcome the views of organisations and individuals with specific expertise in these areas.**

Yes No

Comment: