



Report of	Meeting	Date
Joint LDF Officer Team	Central Lancashire LDF Joint Advisory Committee	6 July 2009

CONSULTATION ON NEW PLANNING POLICY STATEMENT 4: PLANNING FOR PROSPEROUS ECONOMIES

PURPOSE OF REPORT

1. To outline Planning Policy Statement 4: Planning for Prosperous Economies (PPS4) as set out in the consultation paper published in May 2009.

RECOMMENDATION

2. To note the contents of the report and support a consultation response being sent to the Department Communities and Local Government as proposed.

EXECUTIVE SUMMARY

3. The draft PPS proposes to combine and replace existing national policy statements with a single document which is a move away from the previous practice of producing individual planning policy statements. The document has been given added emphasis due to the recession and in reflection of this it promotes policies capable of implementation in changing economic circumstances. There is an expectation that a comprehensive evidence base will enable local authorities to respond in this way although producing plans for different scenarios is difficult as clarity and direction can be undermined by uncertainty.

BACKGROUND

4. A new draft Planning Policy Statement on sustainable economic development was published in December 2007 to replace Planning Policy Guidance 4, and proposed changes to Planning Policy Statement 6 in July 2008.
5. Neither of these sets of alterations were finalised and in effect are replaced by the new combined draft.

REASONS FOR RECOMMENDATIONS

6. To make members aware of the draft PPS.
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. To not report the draft PPS to members.

INTRODUCTION

8. The comprehensive new draft Planning Policy Statement brings together in one place all of the Government's key planning policies relating to the economy. The draft aims to create a streamlined, coherent set of policies designed to meet the economic challenges faced both today and in the longer term.
9. The consultation paper draws on recommendations made in the Taylor review of Rural Economy and Affordable Housing and on the Planning White Paper; Planning for a Sustainable future. It should also be taken into account with the Sub-National Review of Economic Development and Regeneration, which brings together, at regional level, economic and spatial planning.
10. The draft Planning Policy Statement proposes to replace Planning Policy Guidance 4: Industrial, Commercial Development and Small Firms (PPG4, 1992), Planning Policy Guidance 5: Simplified Planning Zones (PPG5, 1992), Planning Policy Statement 6: Planning for Town Centres (PPS6, 2005), as well as parts of Planning Policy Statement 7: Sustainable Development in Rural Areas (PPS7, 2004) and Planning Policy Guidance 13: Transport.
11. The policies set out in the draft PPS should be taken into account by regional planning bodies in the preparation of revisions to Regional Spatial Strategies, and by local planning authorities in the preparation of Local Development Frameworks. In considering proposals for development, before development plans can be reviewed to reflect this Planning Policy Statement, local planning authorities should have regard to the policies in this draft PPS as material considerations which may supersede the relevant policies in development plans.

ECONOMIC DEVELOPMENT

12. In the draft PPS, economic development includes development within the B Use Classes (offices, research and development, light industry, general industry, storage or distribution), town centre uses and other development which meets at least one of the following objectives;
 - Employment opportunities
 - Generates wealth or produces or generates an economic output or product.
13. The draft PPS confirms that housing can be regarded as a form of economic activity although it does draw attention to Planning Policy Statement 3 as the primary source of policy advice for the housing sector.
14. The main uses to which the town centre policies in the draft PPS apply are;
 - Retail (including warehouse clubs and factory outlet centres)
 - Leisure, entertainment facilities, sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls)
 - Offices
 - Arts, culture and tourism (theatres, museums, galleries and concert halls, hotels and conference facilities)

15. For the purpose of the draft PPS all references to town centres refer to all types of centres identified in development plans, out-of-centre developments do not constitute town centres for the purpose of the statement.

PROPOSED PLANNING POLICIES

16. The draft PPS has a large number of proposed policies separated under two headings, plan-making and decision-making. There are eleven main draft plan-making policies and thirteen draft decision making policies. Each of the policy headings contains a number of sub-policies within them. Each draft policy is briefly outlined below and commented on.

Plan Making Policies

Policy EC1- Using evidence to plan positively

17. Regional planning bodies and local planning authorities should work together (and with county authorities in preparing Local Economic Assessments) to prepare and maintain a robust evidence base on existing business needs and likely changes in the market. The evidence base applies both locally and regionally, and should include assessments of demand for retail, leisure, and office use. The evidence base should underpin development plan policies which support sustainable economic development in both rural and urban areas allowing a quick response to changing economic circumstances to inform decisions on planning applications. The evidence gathered both regionally and locally needs to be proportionate to the scale of the issue.

Comment: Enabling a quick response to the changing economic circumstances is good in theory but in practice even with a comprehensive evidence base given the length of time it takes to implement changes a quick response may not work as well as it is envisaged.

Policy EC2- Regional planning for prosperous economies

18. Regional planning bodies should encourage sustainable economic growth, in line with the principles of sustainable development based on a clear economic vision for the region; they should support existing business sectors and make provision, as necessary, for the location, expansion and promotion of clusters or networks of knowledge driven industry, identify and plan for new or emerging sectors likely to locate in the region, but maintain flexibility in their policies on the supply and use of land to accommodate sectors not anticipated in the plan.
19. Regional Spatial Strategies should set out policies to disaggregate minimum employment land targets down to district level and identify sub-regional priority areas with high levels of deprivation to be prioritised for regeneration investment as well as setting a criteria to identify locations of strategic sites, identify, protect and promote key distribution networks and plan for the delivery of sustainable transport and other infrastructure.

Comment: Disaggregating minimum employment land provision targets down to district level will allow local authorities to plan better knowing their own specific targets for the area. Setting criteria to identify locations of strategic sites would be a beneficial and would speed up the process of selecting suitable sites.

Policy EC3- Regional planning for town centres

20. Regional planning bodies should, through Regional Spatial Strategies, set out a spatial vision and strategy for the management and growth of centres in their region, which should include definitions of relationships between centres and of roles within a spatial hierarchy; the role and function of centres should be generated through the regional spatial strategy rather than through planning applications and must ensure the town centre policies are flexible and able to respond to changing economic circumstances and must recognise that town centre networks and hierarchies will change over time.

Comment: Flexible town centre policies in theory are a good concept but in practice it may not be possible to implement a flexible policy to cover all possible economic circumstances. There may be a danger of having too much flexibility in policies which in turn may not be specific enough to address to the issue.

Policy EC4- Local planning approach to economic development

21. Local planning authorities through Local Development Frameworks should positively and proactively encourage sustainable economic growth in both urban and rural areas, in line with the principles of sustainable development, based on a clear and proactive locally specific economic vision and strategy. This includes giving support to existing business sectors, taking account of the location, expansion, and promotion of clusters or networks of knowledge driven industry, encouraging new users for vacant or derelict buildings and promoting working from home or work/live units. In rural areas, the requirement should take account of the need to protect the countryside.

Comment: Taking account of the location, expansion and promotion of clusters or networks of knowledge driven industry will aid planning for economic development.

Policy EC5- Local planning approach to town centres

22. Local planning authorities, through their Local Development Frameworks, should in their Core Strategy, set out a spatial vision and strategy for the management and growth of the centres in their area over the plan period. As part of the vision local planning authorities should define a hierarchy of lower order centres (those not identified in the RSS) to meet the needs of their catchments and ensure that everyday needs are met locally. In areas where the centres are in decline local authorities need to strengthen these areas by seeking to focus a wider range of services, prompting diversification and improving the environment. Where appropriate in urban areas, encourage high-density development within the existing centres with good public transport, walking and cycling links.

Comment: Defining a hierarchy of lower order centres should enable local authorities to meet more needs locally within their areas.

Policy EC6- Local planning approach to planning for consumer choice and promoting competition for town centre development

23. 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, allowing for the contribution that smaller shops can make to the character and vibrancy of a centre, and taking measures to conserve the established character of their town centres.

Comment: Planning for customer choice and allowing the contribution smaller retail units within town centres will, in theory at least, enable smaller businesses to thrive within centres adding to the vitality and viability of centres. However implementation of this may depend on refinements being made to the Use Classes Order.

Policy EC7- Site selection and land assembly for town centre uses

24. 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, and apply the sequential approach to site selection. They should also give preference to those sites that best serve the needs of deprived areas when considered against alternative sites with similar location characteristics. Having selected sites for development, local planning authorities should allocate sufficient sites to meet the identified need for at least five years from the adoption of the development plan documents.

Comment: This policy switches the consideration of need from individual schemes in the current guidance to the development plan process. Identifying a need for development for at least five years for town centre uses should be flexible to take into account changing

economic circumstances as the town centre uses particularly suffer in downturns in the economy. However bearing in mind lead in times for large schemes and the medium term view of major retailers it is surprising the draft PPS does not specify a longer term projection of need even given the vagaries of the economy.

Policy EC8- Managing the evening and night-time economy in town centres

25. Local planning authorities should prepare planning policies to help manage the evening and night-time economy in appropriate centres, taking account of and complementing the local authority's Statement of Licensing Policy and the promotion of the licensing objectives under the Licensing Act 2003. They should ensure that there is a diverse range of complementary evening and night-time economy uses which appeal to a wide range of age and social groups and set out the number and scale of leisure developments they wish to encourage based on the potential impact.

Comment: This is a laudable aim but one that can be difficult to achieve in practice because it depends on a full range of businesses wanting to operate in an area.

Policy EC9- Local planning approach to rural areas

26. 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 as this facilitates best use of existing infrastructure and delivers sustainable development. Subject to recognising the need to protect the countryside, the policies for economic development in this statement apply to rural areas as they do to urban areas. In addition, in rural areas, local planning authorities should set out the criteria to be applied to planning applications for farm diversification, and support diversification for business purposes that are consistent in their scale and environmental impact with their rural location.

Comment: This is largely established planning practice but with a welcome greater discretion in terms of farm diversification..

Policy EC10- Car parking for non-residential development

27. Local planning authorities should set maximum parking standards for non-residential development in their area ensuring alignment with the policies in the relevant transport plan. There should be no minimum standards for development, other than for parking for disabled people.

Comment: This is established planning practice.

Monitoring

Policy EC11- Monitoring

28. Regional planning bodies and local planning authorities should use their annual monitoring reports to keep under review the network and hierarchy of centres (at both the regional and local levels), the need for further development, and the vitality and viability of centres (at the local level). In order to measure the vitality and viability and monitor the health of town centres and how they change over time, local authorities should also regularly collect market information and economic data.

Comment: This is largely established planning practice.

Decision Making Policies

Policy EC12- Planning applications for economic development

29. Local planning authorities should adopt a positive and constructive approach towards planning applications for economic development as defined for the purposes of the statement in both urban and rural areas and must not accept proposals which fail to secure a high quality and inclusive design or which fail to take the opportunities available for improving the character and quality of the areas and the way it functions.

Comment: This is established planning practice.

Policy EC13- Village and local centre shops and services

30. Local planning authorities should seek to protect and strengthen village and local centre shops, services and other important small scale economic uses (including post offices, rural petrol stations, village and church halls and rural public houses). They must ensure the importance of shops and services to the local community is taken into account and respond positively to proposals for the conversion and extension of shops which are designed to improve their vitality.

Comment: This is established planning practice but by itself does not prevent local services from declining..

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

31. Local planning authorities should support the conversion and re-use of appropriately located and suitably constructed existing buildings in the countryside, particularly those adjacent or closely related to towns or villages, for economic development.

Comment: This is established planning practice.

Policy EC15- Local development frameworks: tourism in rural areas

32. To help deliver the government's tourism strategy, local planning authorities should support sustainable rural tourism and leisure developments that benefit rural businesses, communities and visitors which utilise and enrich, rather than harm, the character of the countryside, its towns, villages, buildings and other features.

Comment: This is established planning practice.

Policy EC16- Nationally designated areas

33. Major developments should not take place in National Parks, the Broads and Areas of Outstanding Natural Beauty (AONB), except in exceptional circumstances. Major development proposals should be demonstrated to be in the public interest before being allowed to proceed.

Comment: This is established planning practice.

Policy EC17- Application of car parking standards for non-residential development

34. In most circumstances, local parking standards should apply to individual development proposals.

Comment: Regional standards are being developed in the North West.

Policy EC18- Supporting evidence for planning applications for main town centre uses

35. Sequential and impact assessments should accompany a planning application for a main town centre use which is not in an existing centre nor allocated in an up-to-date development plan.

Comment: This is established planning practice.

Policy EC19- The consideration of sequential assessments for planning applications for town centre uses

36. In considering sequential assessments, local planning authorities should ensure that all in-centre options have been thoroughly assessed before less central sites are considered in line with Policy EC18 of this draft PPS.

Comment: This is established planning practice.

Policy EC20- The impact assessment for planning applications for town centre uses not in accordance with the development plan

37. In taking account of evidence in the impact assessment, local planning authorities should consider whether the assessment sets out clear conclusions on all town centre and wider impacts; assessments should focus in particular on the first 5 years after the implementation of a proposal.

Comment: This is sensible advice.

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

38. Local planning authorities should refuse planning permission where the applicant has not demonstrated compliance with the the sequential approach, where there is clear evidence that the proposal could lead to significant adverse climate change impacts, but should consider proposals favourably where any adverse impacts are not significant and these are likely to be outweighed by significant wider economic, social and environmental benefits.

Comment: This is a balanced approach.

Policy EC22- The consideration of applications for extensions to existing town centre development in edge-of-centre and out-of-centre locations

39. Local authorities should give the impact on existing town centres particular weight, especially if new and additional classes of goods or services for sale are proposed, and should only apply the sequential approach where the gross floor space of the proposed extension exceeds 200 square metres.

Comment: This is established planning practice.

Policy EC23- The consideration of applications for ancillary retail and office uses

40. Where shops are proposed as an ancillary element to other forms of development (for example, petrol filling stations), local planning authorities should ensure that the retail element is limited in scale and genuinely ancillary to the main development, and should seek to control this through the use of conditions (see 24 below), but where office development is ancillary to other forms of economic development not located in the town centre there should be no requirement for such offices to be located in the town centre.

Comment: This is established planning practice

Policy EC24- The effective use of conditions for town centre uses

41. Local planning authorities should use planning conditions to secure the provision of units suitable for smaller business, by specifying the maximum size of units and to resolve issues relating to the impact of the development on traffic and the amenity of neighbouring residents.

Comment: This is established planning practice but has not been set in national policy before.

CONCLUSION

42. The draft PPS proposes to combine and replace existing national policy statements with a single document which is a move away from the previous practice of producing individual planning policy statements. The document has been given added emphasis due to the recession and in reflection of this it promotes policies capable of implementation in changing economic circumstances. There is an expectation that a comprehensive evidence base will enable local authorities to respond in this way although producing plans for different scenarios is difficult as clarity and direction can be undermined by uncertainty.
43. The draft policies promise a less restrictive approach to economic development and a more flexible approach to change of use applications and applications within town centres. This in turn should lead to a reduction in planning applications being refused and appealed against.
44. In terms of out of centre retail development, the draft PPS proposes two tests, the sequential test (the same as PPS6) and an impact test. The impact test is much more wide ranging and includes new elements such as considering climate change and carbon emissions.
45. In terms of other applications not within centres, the evidence based approach allows a balancing off all issues including the economic benefits of a scheme. Where this results in a proposal being contrary to the development plan, local authorities need to consider whether the benefit of a scheme outweighs the policy and material weight could be added to any economic benefits.
46. The draft PPS poses a number of consultation questions, these and proposed responses are set in Appendix 1 attached.

There are no background papers to this report.

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PPS4 Consultation Questions

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

We support the consolidation and streamlining of national planning policy on economic development into a single policy statement. The single statement will enable local authorities to locate all guidance in one place with ease as apposed to the current system of having numerous policy statements/guidance notes which are sometimes contradictory.

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?**

The draft statement includes everything from draft PPS4, PPG5, PPS and PPG7 as far as we understand to be policy although the previous format did not clearly distinguish policy references. Two omissions to the draft PPS which, would have been helpful, would be guidance relating to home working and live/work units. These can also have a significant impact on the economy. There also doesn't appear to be much said about offices. Offices are listed as a town centre uses but there isn't much guidance giving them encouragement in town centres and resisting them out-of-town.

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.**

No major changes to policy are evident. Our understanding is that retail need is now intended to be dealt with at the development plan level.

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 the structure split into plan making and decision making policies makes the document easy to navigate round.

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?**

The impact test seems to be robust enough to achieve the right balance.

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?**

It is understood that the Government intends that climate change policy (PPS1) and renewable energy (PPS22) guidance is to be combined this should help with the example cited.

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

Yes

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.**

Employment land targets for each district set out by regional spatial strategies should be imposed as currently it is very difficult for local authorities to be accurate on the amount of employment land allocated when preparing core strategies and other associated documents. We would welcome further guidance from CLG on how this regional target setting process is to be implemented; the criteria to be used; and the opportunity for district consultation.

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.**

The policies in the draft PPS aims to protect local services well but obviously it can't prevent such outlets closing and once that occurs there is inevitable pressure on LPAs to approve a change of use.

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?**

The approach proposed gives more discretion to LPAs which is helpful in taking account of local circumstances but the disadvantage of this is that inconsistent approaches to farm diversification could arise in neighbouring authorities and this lead to conflicts with applicants.

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.**

We consider the draft PPS does not have a differential impact on people due to gender, race or disability.