

Planning for Sustainable Economic Growth

New Planning Policy Statement 4

**Communities and Local
Government January 2010**

- Context
- PPS4 consultation
- Final PPS4 headlines
- Policies for economic development
- Policies for centres
- Policies for the rural economy
- Policies for development management
- Town Centres Practice Guidance
- Competition test
- Summary

- 2007 Planning White Paper commitment to:
 - i) refresh policies for economic development by revising PPG4
 - ii) improve effectiveness of town centres policy in PPS6
 - iii) review national planning policy to achieve a more strategic, clear and focused framework

- Over the last couple of years the context for a new PPS for economic development has changed significantly:
 - i) planning for recovery from the economic downturn
 - ii) Matthew Taylor review published- recommended a more positive approach to rural economic development
 - iii) Killian Pretty Review published- recommended national policy should be streamlined and focused on needs of the user

- Draft PPS4 published in May '09 - built upon previous consultations on draft PPS4 and PPS6. Received 330 substantive consultation responses
- Broad support for structure, style + brevity
- Agree with policy objectives re. sustainable economic growth + maintaining town centres first policy BUT concern that draft doesn't bring town centre\economic development policy together in a seamless narrative
- Concern around what is robust\proportionate economic evidence + data availability + resource\capacity\skills
- Concern about relationship of the sequential approach and impact test – which comes first?
- Could the impact test be expressed more simply
- Concern that the requirement for regional targets for employment land would be too onerous.

Headlines(1)

- 4 existing documents (PPG4\5 PPS6\7) merged into a single streamlined statement on economic development encouraging stakeholders to think about the economy in the round, rather than as a series of sectors
- Structure and expression of policy is very different from what has gone before following on from the Killian Pretty Review. Much shorter and intended to be much more in the style of development plan policy
- Structure- divided into clear evidence base, plan-making and development management sections
- Separate 'how to 'guidance



Policies for economic development (1)

- Regions\local authorities should develop robust economic evidence bases, working with upper tier authorities preparing Local Economic Assessments
- Regions\local authorities should aim to achieve sustainable economic growth through pro-active policies which recognise the needs of the market
- Push for sustainable development - consistent with approach in PPS1 supplement- climate change is not a bolt-on but rather a key and integrating theme in planning for sustainable economic growth
- New RSS requirement to set job targets at local authority level- regions\local authorities should work closely together to ensure shared objectives

Policies for economic development (2)

Linked to Government's *Low Carbon Industrial Strategy*, greater recognition of low carbon economic opportunities such as producing low carbon goods or services

- Asking for a good supply of land which addresses business needs whilst being flexible enough to respond to changing market conditions, including new sectoral requirements
- Identifying suitable locations for development- encouraging mixed-use development + strong emphasis on planned regeneration
- Local authorities to set local maximum car parking standards in line with PPG13 policies for restraint

Policy for Centres (1)

Maintaining strong ‘town centres first’ policy by:

- removing current ‘need test’ for planning applications - risk that the need test could be a blunt instrument + have unintended effect of restricting competition and limiting consumer choice
- BUT need assessment still needed in plan making
- replacing existing need + impact tests with improved impact test- clearer, more robust framework for assessing the impact of proposals
- Improving approach to consumer choice and retail diversity- supporting small shops, independent retailers + identity of town centres – want authorities to consider importance of shops\services to their local communities. Might involve protecting existing facilities + responding positively to proposals to convert shops where this improves viability

Policy for centres (2)

- Sequential approach: maintained toughened approach to decision making:
 - refuse planning permission where the applicant has not demonstrated compliance with the requirements of the sequential approach
- Maintained strengthened approach to consideration of impact of unplanned, edge and out of centre development.

- 2 types of key impact to consider:
 - general impacts (policy EC10) including:
 - i) accessibility
 - ii) need for high quality\inclusive design
 - iii) climate change
 - iv) regeneration and jobs
 - town centre specific impacts (EC16), including:
 - i) impact on town centre investment
 - ii) trade diversion from existing centres
 - iii) effect on vitality and viability

Policy for centres (4)

- Policy sets a clearer, more robust approach to unplanned development which causes harm- planning permission should be refused where there is clear evidence that a proposal is likely to lead to significant adverse impacts in respect to one or more of the key impact considerations
- Default floorspace threshold for impact assessments remains at 2500 sqm but local authorities able to set different thresholds in development plans

Policies for the rural economy

- Strong and diverse rural economy-agree with Matthew Taylor that rural communities need to plan for change. Want to see economic growth + high quality environment achieved together
- supporting small scale economic development in villages\other locations remote from rural service centres
- removing requirement which only supports farm diversification for business purposes which help to sustain agricultural enterprise. Removing the agricultural link will broaden opportunities for small scale non-agricultural enterprise



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Policies for development management

- Clearer policies that can be applied directly to decisions and encourage local authorities to take a positive approach to proposals, using evidence to weigh up the costs and benefits of development .

Planning for town centres practice guidance

- Practice guidance published alongside PPS. Essential to effective implementation of policy. Commissioned GVA Grimley to develop framework illustrating how to:
 - i) assess need and impact when preparing plans
 - ii) test impacts arising from planning applications
 - iii) apply sequential approach when preparing plans + considering planning applications
- Covers main town centre uses (focus on retail, leisure, offices) + uses case studies to illustrate good practice

Competition and retail development

- Tesco appealed against Competition Commission's recommendation for a competition test to be introduced into planning for large supermarkets
- Competition Appeal Tribunal upheld Tesco's challenge in March- found that certain considerations about how the test would work and its costs and benefits should have been explored further. Remitted the test back for further work
- CC has published its supplementary report. Maintains its original recommendation.
- Govt now considering the report and recommendations and will publish its response shortly

- Economic downturn not over - planning needs to support economic aspirations of our communities + protect the vitality & viability of town centres
- Planning can't solve all the problems BUT it can help to create the right conditions to support economic recovery- **this is a key objective of PPS4**
- Setting out comprehensive policy framework for planning for sustainable economic growth in urban and rural areas, particularly town centres. Integrated, streamlined policies should lead to speedier and better quality plan-making and decision taking