

Committee: Planning Committee

Date Of Meeting: 10TH March 2010

Title of Report: Planning Policy Statement 4: Planning for Sustainable Economic Growth

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This report contains	Yes	No
Confidential information		✓
Exempt information by virtue of paragraph(s) of Part 1 of Schedule 12A to the Local Government Act 1972		✓
Is the decision on this report DELEGATED?	✓	

Purpose of Report:

To advise Members of the key elements of the recently published Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS 4) which is intended to guide plan making policies at the regional and local level and is now a material consideration in determining planning applications for 'economic development' in the Borough.

Recommendation(s):

It is recommended that Planning Committee:

- (i) note the key elements of the new Planning Policy Statement 4: Planning for Sustainable Economic Growth.

Corporate Objective Monitoring

Corporate Objective		Impact		
		Positive	Neutral	Negative
1	Creating A Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs & Prosperity	✓		
4	Improving Health & Well Being		✓	
5	Environmental Sustainability	✓		
6	Creating Inclusive Communities		✓	
7	Improving The Quality Of Council Services & Strengthening Local Democracy		✓	

Financial Implications

There are no direct financial implications arising from this report.

Departments consulted in the preparation of this Report

None.

List of Background Papers relied upon in the preparation of this report

'Planning Policy statement 4: Planning for Sustainable Economic Growth', December 2009

'Consultation paper on a new Planning Policy Statement 4: Planning for Prosperous Economies', May 2009.

Planning Policy Statement 4: Planning for Sustainable Economic Growth

1. Background & Introduction

- 1.1 Planning Policy Statement 4 (PPS4) was published on 29th December 2009 by the Department for Communities and Local Government (DCLG). The new guidance sets out the national planning policy for all 'economic development', and supersedes the town centre policies contained within PPS6, the policies on economic development in urban and rural areas in PPG4 PPG5, and PPS7, and the sections of PPG13: Transport relating to parking standards. The new PPS also incorporates elements of both the earlier draft PPS 4 (published for consultation in June 2009), and the proposed changes to PPS 6 (published for consultation in July 2008).
- 1.2 In addition to PPS4, there is a lengthy good practice guide that focuses on key retail policy tests. The good practice guide should be read in conjunction with the relevant sections of PPS4 that deal with retail planning matters and town centres.
- 1.3 The new PPS aims to bring together policies relating to the economy in an attempt to simplify planning policy, and focus on encouraging economic growth in a sustainable manner. To help achieve sustainable economic growth, the Government's objectives for planning are to:
 - build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas, both urban and rural
 - reduce the gap in economic growth rates between regions, promoting regeneration and tackling deprivation
 - deliver more sustainable patterns of development, reduce the need to travel, especially by car and respond to climate change
 - promote the vitality and viability of town and other centres as important places for communities. To do this, the Government wants:
 - new economic growth and development of main town centre uses to be focused in existing centres, with the aim of offering a wide range of services to communities in an attractive and safe environment and remedying deficiencies in provision in areas with poor access to facilities
 - competition between retailers and enhanced consumer choice through the provision of innovative and efficient shopping, leisure, tourism and local services in town centres, which allow genuine choice to meet the needs of the entire community (particularly socially excluded groups)
 - the historic, archaeological and architectural heritage of centres to be conserved and, where appropriate, enhanced to provide a sense of place and a focus for the community and for civic activity
 - raise the quality of life and the environment in rural areas by promoting thriving, inclusive and locally distinctive rural communities whilst continuing to protect the open countryside for the benefit of all

- 1.4 PPS4 and the accompanying Good Practice Guide are relatively detailed documents, and this report seeks to highlight what are considered to be the key points. Should Members wish to view the full document, copies the document can be emailed to members on request, or accessed via the DCLG website at the following address:

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/planningpolicystatement4.pdf>

2. The Main Elements of PPS4

- 2.1 The new PPS relates to all policy and development proposals for 'economic development'. For the purposes of the PPS, the definition of 'economic development' extends to:

- Main town centre uses, including retail, leisure & entertainment facilities, offices, arts, culture and tourism development
- Other development which achieves at least one of the following objectives:
 - provides employment opportunities
 - generates wealth, or
 - produces or generates an economic output or product

- 2.2 Housing is specifically excluded from the definition of 'economic development'.

- 2.3 The key elements of the new PPS are outlined below.

(i) Plan Making Policies

- 2.4 The Plan Making sections of the PPS outline the considerations that policy makers at both a local and regional level will need to take into account when preparing planning policies.

Evidence Base

- 2.5 The PPS places a significant evidential burden on local authorities, which goes significantly beyond what was required under previous planning guidance. This has the potential to generate significant additional work as well as presenting additional cost implications to the authority.
- 2.6 As part of the expanded evidence base, the guidance places an onus on local authorities to commission frequent Town Centre Health Checks. Good practice previously indicated that these should be undertaken about every 3 years; however, the implication is that these will now need to be carried out on a more regular basis in order to maintain up-to-date information. Members should note that these studies, which require specialist consultancy input, typically cost in the region of £8,000 to £10,000.
- 2.7 Additionally, the new guidance requires local authorities to incorporate a series of additional measures into their monitoring. A proportion of this information may

already be readily available, however there are requirements for original data, such as new local surveys to identify "economic and property challenges to be considered in plan making". These surveys may include the collection of; floorspace availability by rent and size, rents by grade, office land values, construction rates, etc. A full list of these additional measures is included at Annex C of the PPS. It should be noted by Members that these additional data collection and monitoring requirements will place an additional resource burden on the Council.

- 2.8 Furthermore, a number of the requirements of the PPS, as outlined below, are likely to necessitate additional evidential support.

Town Centres

- 2.9 The new PSS requires Local Authorities to be proactive in formulating strategies for centres in their areas. This should involve choices about which centres will accommodate any identified need for growth, considering their expansion where necessary. Where deficiencies in provision are identified, priority should be given to deprived areas where there is a need for better access to services, facilities and employment by socially excluded groups.
- 2.10 The new PPS also creates a requirement for local authorities to give equal weight to both quantitative and qualitative need for additional retail and leisure floorspace. This is in contrast to the previous PPS6 which placed much greater weight on quantitative need. As outlined above, determining qualitative need may have significant additional resource and cost implications.
- 2.11 The new PPS also places a requirement on local authorities to promote competitive town centres and consumer choice.

Economic Development

- 2.12 The new guidance requires local authorities to set out a clear economic vision and strategy for their area, which positively and proactively encourages economic growth. This should include identifying areas with high levels of deprivation that should be prioritised for regeneration investment.
- 2.13 Local Development Frameworks should support existing business sectors, taking account of where they are expanding or contracting, and where possible, identifying new or emerging sectors likely to locate in their area.
- 2.14 Additionally, the new PPS encourages the use of planning tools, such as Simplified Planning Zones, Compulsory Purchase Orders, Area Action Plans, and s106 agreements, to simplify the planning process where appropriate.
- 2.15 The new PPS states that local authorities should also:
- prioritise development on previously developed land
 - encourage new uses for vacant or derelict buildings (including historic buildings)
 - facilitate new working practices such as live/work and home working
 - set out evidence based policies for the delivery of the sustainable transport and other infrastructure needed to support planned economic development
 - Identify local rural service centre where development should be focused

Car Parking

- 2.16 The new PPS advises that national parking standards should be removed. Instead, local authorities will be responsible for setting their own maximum parking standards for non-residential development in their areas. The draft guidance states that there should be no minimum standards except for disabled spaces.

(ii) Development Management Policies

- 2.17 The key change with regards to town centres is the removal of the 'need' test – the requirement for applicants proposing retail (or other town centre) development to demonstrate the need for their proposals. Instead, 'need' is to be subsumed within a wider 'impact' test which assesses need alongside other factors such as accessibility, design, impact on deprived areas and employment, and town centre vitality and viability. A new measure within the impact test would also assess whether a proposal has been planned to limit carbon emissions and minimise the effect on climate change (amongst others). The new PPS states that where "there is clear evidence that the proposal is likely to lead to significant adverse impacts" against any one of these "impact" measures, then the application should be refused. The key point to note here is that for a number of these measures, the "clear evidence" described in the section above will be required for us to demonstrate that "significant adverse impacts" apply. In this respect, we will not be able to rely on out-of-date evidence or information. The impact test will also need to be applied by local authorities when allocating sites through the Local Development Framework.
- 2.18 The new impact test is only applicable to town centre schemes with a gross floorspace above 2,500 sq m (26,910 sq ft), which are on the edge or outside of an existing centre. Consequently, retail and leisure proposals below 2,500 sq m (which includes some fairly sizable schemes) would only be required to meet the sequential test. For these applications, the Council would not be able to take into account factors such as the vitality and viability of town centres, need, scale or any other adverse impacts outlined in the impact test. Should we decide that this threshold is too high, the PPS allows for local authorities to specify their own floorspace thresholds. The guidance also allows for local authorities to define any additional local impacts to be considered as part of the 'impact test'.
- 2.19 In practice, the dilution of the 'need' test within the wider impact test could mean local authorities are no longer able to refuse applications on need alone. This may harm Sefton's ability to resist some edge-of-centre and out-of-centre development. Local authorities however will still be required to demonstrate need in preparing development plans.
- 2.20 The 'sequential' test, which requires town centre uses (such as retail) to be prioritised on sites in town centre locations, will be retained alongside the new impact test. However, this test will only enable us to resist out-of-centre development where 'sequentially preferable' sites are clearly identified.

3. Director's Comments

- 3.1 Whilst we have always doubted the wisdom of the amalgamation of retail and employment policy advice into one PPS (since in our view it would lose clarity) and have commented to this effect in the consultation response to draft PPS4, it is now a *fait accompli* and we will have to work with the new arrangements as best we can, both in respect of the plan making process and with regard to making development

management decisions.

- 3.2 More significantly, PPS4 implies a significant change in the planning policy context, particularly with regard to retail planning matters and how we assess retail proposals. Members will be aware that, inter alia, we have previously raised concerns, as part of the draft PPS4 consultation about the replacement of the needs test with a wider impact test and the implications that this would have for the potential reduced protection of existing centres. Given that the impact test has now been confirmed in the final PPS4, these concerns remain.
- 3.3 Furthermore, the new retail information monitoring requirements and the information required to be assembled as part of the wider impact test are very onerous and over and above that which we have previously collected. This will place a considerable additional and ongoing evidence gathering and monitoring responsibility on the Council and it will undoubtedly have financial and staffing resource implications. These matters will need to be subject to a further report or reports to Members at a later date, once the implications of this advice have been fully digested and discussed in detail with our new retained retail consultants, whom we expect to have on board from April onwards (we are currently going through the selection process and the outcome of which will be reported to Members for their endorsement shortly).

Recommendation(s):

It is recommended that Planning Committee:

- (i) note the key elements of the new PPS4: Planning for Sustainable Economic Growth