



**Report for: Cabinet**

**Subject: Consultation on a New Planning Policy Statement 4:  
Planning for Prosperous Economies**

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## **Background**

- 1 The purpose of this report is to advise of the consultation on the streamlined Planning Policy Statement 4: Planning for Prosperous Communities (hereafter known as 'the draft') and to seek approval for the attached responses to the consultation. The draft is the first of the streamlined Planning Policy Statements that were proposed in the 2007 Planning White Paper and reflects the recommendations of the Killian-Pretty Review. The purpose of the streamlining process is to reduce the regulatory burden and make the suite of Planning Policy Statements easier to use.
- 2 The aim of the content of the draft is to highlight the need to plan positively and proactively for economic development whilst ensuring that development is sustainable. The draft covers a wide range of themes including the more traditional forms of economic development, retail policy and the rural economy. The main elements of the current planning system it replaces are:
  - Planning Policy Statement 4
  - Planning Policy Statement 6
  - The economic elements of Planning Policy Statement 7

By combining the key planning policy statements relating to the economy, the Government hopes to create a coherent and modern set of policies designed to meet economic challenges, both long and short term, and to provide greater certainty to businesses.

- 3 As mentioned above the recommendations of the Killian-Pretty Review have been incorporated into the new style planning policy statements. Unlike the previous policy statements, the draft focuses on policy rather than guidance. While this makes the document clearer to understand, guidance on how to implement the policies will be contained in a

separate practice guide and this could undermine the intention to simplify the system. The policies in the draft are clearly divided up into 'Plan Making Policies' (policies that guide how policy should be prepared at both the regional and local levels) and 'Decision Making Policies' (policies that guide how decision on planning applications should be taken).

- 4 In terms of coverage, the draft defines 'economic development' as:
- Development with the B Use Classes<sup>1</sup>
  - Main Town Centre Uses<sup>2</sup>
  - Development that provides employment opportunities
  - Development that generates wealth
  - Development that produces or generates an economic output or product

This is a wide-ranging definition that could cause problems when combined with the later requirement that proposals for economic development (other than for main town centre uses) should be favourably considered unless there is good reason to believe the social, economic or environmental harm caused by the development is not outweighed by the benefits.

### **Plan Making Policies**

- 5 These policies should be taken into account by both regional planning bodies when preparing regional spatial strategies and by local planning authorities when preparing local development documents. In advance of local development documents that reflect the adopted version of the draft, the policies should be treated as a material consideration when considering planning applications.
- 6 The key elements of the approach towards plan making at both the regional and local levels in the draft are that all policies should be drafted in a flexible way and should be underpinned by a robust evidence base. The Review of Sub-National Economic Development and Regeneration (March 2008) recommended that Upper Tier local authorities (i.e. County Councils and Unitary authorities) should prepare a Local Economic Assessment to provide an understanding of both existing business need and likely changes in the market. At the local level the evidence base should:
- Assess the need for employment land
  - Assess the supply of employment land through land reviews
  - Assess the need for additional floor space for main town centre uses
  - Assess the capacity for existing centres to accommodate new development

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<sup>1</sup> B1 Business, Offices, research and development, light industry. B2 general industrial. B8 storage or distribution.

<sup>2</sup> Retail, leisure, entertainment facilities, intensive sport and recreation uses, offices and arts, cultural and tourism uses.

- Identify deficiencies in floor space provision and in provision to meet day-to-day needs and identify how these can be remedied.

A clear and locally specific economic vision that adopts a positive and proactive approach, whilst ensuring that development is in line with the principles of sustainability, should be developed when a local authority is preparing local development documents.

- 7 Alongside adopting a positive and proactive approach to encourage sustainable economic development, regional planning bodies should also support existing business and ensure that opportunities for new or emerging sectors to develop in the region are taken. This could include the development of industries engaged in providing low carbon technologies or services. The potential for business to be located where they can accrue benefits from links to other similar business or important institutions (for example locating high technology business near a university) should be explored and any opportunities taken.
- 8 Regional spatial strategies should set out the requirements for employment land at district level. While it is acknowledged that there are difficulties in providing a figure at district level, due to doubts over how the figure can be arrived at, whether the set target should be for floor space or jobs and the most appropriate level at which to set targets, this will aid Gedling Borough by providing a clear figure to work to when developing local development documents. Areas with high levels of deprivation within sub-regions should be identified for regeneration. The criteria for the assessment of strategic employment sites, or the sites themselves, should be identified as should key distribution sites where developments that generate substantial freight movements can be co-located.
- 9 In terms of planning for town centres, regional spatial strategies should identify a network (the spatial pattern of centres) and a hierarchy (how the centres work and the relationship between them) of higher order centres (those of more than local importance) to meet the needs of the catchment in terms of Town Centre uses. Which of these centres could be suitable for regionally significant office development should be identified as should centres which can rectify any identified deficiencies through changes to their position in the hierarchy. Centres that will serve areas with high levels of growth should also be identified and steps taken to ensure that the centre meets the needs of the new catchment.
- 11 The draft is also clear that previously developed land (brownfield land) that is suitable for re-use should be prioritised and that full use should be made of planning tools. Allocations should not be carried over from one development plan to another especially where they are overly restrictive or where there is little or no prospect of them being taken up during the plan period.

- 12 As the network and hierarchy of higher order centres will be set through the Regional Spatial Strategy, in developing local development documents, local authorities should identify a network and a hierarchy of centres not addressed at the regional level due to their size. Local development documents should also define the extent of the primary and secondary shopping areas and address how any growth required will be planned for and managed. This could include setting floor space thresholds, for edge of centre and out of centre developments that will require an impact assessment, to reflect the specific role and size of a centre where the figure of 2500sqm contained in Policy EC18.5 is not thought to be appropriate.
- 13 Special regard should be made to the issues facing rural areas and the key issues should be pulled out and addressed in local development documents. Specifically, local services centres should be identified where employment, housing, services and facilities can be provided in close proximity to one another. Local service centres should be the focus for new economic development but deficiencies in local shopping, services and facilities that meet a day-to-day need should be identified and possible remedies developed. Support should also be given to the re-use of farm buildings, equine related leisure development and farm diversification schemes where they are consistent with their location. Criteria to be applied to applications for farm diversification schemes should be developed.
- 14 Policies for car parking associated with non-residential development should also be set through local development documents. These should be maximum not minimum standards and when being set local authorities should take account of a wide range of issues including:
  - Accessibility by sustainable transport methods
  - The need to tackle congestion
  - The need to fit into urban sites, promote linked trips and shared parking to ensure the vitality and viability of town centres
  - The specific needs of different business sizes and types
  - The differing needs of rural and urban areas.

### **Decision Making Policies**

- 15 In considering planning applications for economic development (as defined in Para 4) local authorities should adopt a positive and proactive approach by seeking to engage with developers at an early stage. Where a proposal is in accordance with the development plan it should normally be granted permission.
- 16 For economic development (including for change of use) other than for main town centre uses, proposals should be considered favourably unless there is good reason to believe that the social, economic and environmental cost is likely to outweigh the benefits. Decision regarding the costs and benefits of development should be based on evidence that includes economic factors alongside environmental and social information. As it is the responsibility of the Local Authority to

show that the development causes adverse effects (as opposed to it being the responsibility of the developer to show that there are no adverse effects) this is likely to have resource implications.

- 17 While this approach is supported, it should be made clear in the final version of the Planning Policy Statement that the impact of the development on the strategy contained in the development plan should also be a consideration (as it is with proposals for main town centre uses).
- 18 The needs of rural areas should also be specifically considered. Development that supports market towns and villages should be supported where it is in a sustainable location and is of an appropriate size. Proposals that result in the loss of economic activity in rural locations should be assessed against the supply of employment land needed to ensure that the sustainability of the community is maintained. Village and local centres should also be protected and strengthened alongside other small-scale economic developments that contribute to the sustainability of communities. Proposals for extensions to shops should be supported where needed to increase viability and the role of farm shops should be considered as a way to meet demand for local produce in a way that contributes to the rural economy. The reuse of buildings in the countryside is supported in the draft. Proposals for tourist and visitor facilities are also supported where they do not harm the character of the countryside.
- 19 However, the policies in the draft do not override the protection afforded to Green Belts. Proposals for economic development within the Green Belt must still comply with the requirements of Planning Policy Guidance 2: Green Belts.
- 20 In regard to applications for 'main town centre uses' (see Para. 4) the requirements of 'Proposed Changes to Planning Policy Statement 6: Planning for Town Centres' are largely carried forward. A sequential assessment and impact assessment are required when an application for a main town centre use not in an existing centre or not allocated in the development plan is being considered. An impact assessment can also be required for *significant development* within an existing centre where the development could affect other centres. A definition of significant development is not given. However, while a threshold of 2500sqm of floor space is given for a development to require an impact assessment, it is not clear if this figure should be applied to all development or just to developments outside centres and not in accordance with the development plan. As discussed in Para 12 different thresholds can be set in local development documents where appropriate.
- 21 The sequential assessment requires that, where a development best located in a town centre is located outside a town centre, all options to locate it within a town centre have been explored. This includes

examining potential sites in or on the edge of town centres taking account of possible future redevelopment, examining the scale of the development and examining the potential to split the development up or use more innovative floor space layouts.

- 22 The impact assessment requires that the key positive and negative impacts of a development are considered taking account of cumulative impacts and permissions under construction or yet to be implemented. The wider impacts (economic, social and environmental) should be considered, as should any impact on the strategy in the development plan.
- 23 Where compliance with the sequential assessment is not demonstrated, development should be refused. Where there is clear evidence that the development will lead to significant adverse effects, development should be refused. Where there are not significant adverse effects but the wider benefits of the development are likely to outweigh other negative effects then developments should be considered favourably. Judgements on the extent and significance of the effects should be informed by an up to date development plan and town centre health checks.
- 24 As with the Proposed Changes to Planning Policy Statement 6, details of the potential Competition Test proposed by the Competition Commission in relation to supermarkets are not included. This is due to the need to revisit the proposals in the light of the decision in March 2009 that certain factors had not been considered. Details of how the Government intend to proceed will follow the Competition Commissions review of the Test.

## **Conclusions**

- 25 The move towards Planning Policy Statements focusing on policy rather than guidance is to be welcomed. The draft is considerably more user friendly than current documents largely due to the clear distinction between plan making and decision-making. However, the use of a practice guide may undermine some of this as it will add to the complexity and when the two elements are combined will be quite lengthy.
- 26 While there are certain matters to be clarified, the content of the draft largely follows the three source documents (Planning Policy Statement 4, Planning Policy Statement 6 and the economic elements of Planning Policy Statement 7). The status of Planning Policy Statement 7 needs to be fully clarified as, once the draft is finalised and adopted, large parts of Planning Policy Statement 7 will no longer be relevant. This could cause confusion as to how Planning Policy Statement 7 forms a coherent strategy for rural areas. The changes that have been made from Planning Policy Statement 4 are mainly minor, though the new format does highlight more clearly that development should only be refused where there is good reason to believe that it will cause adverse

effects. Again, in relation to main town centre uses, only minor amendments have been made from the policies consulted on in the Proposed Changes to Planning Policy Statements 6 and it is our view that the ability to assess the cumulative impact of development and to specify floor space thresholds for the impact assessment in local development documents will greatly assist in ensuring that the vitality and viability of our town centres is maintained.

## **Recommendations**

It is recommended that the comments set out below be forwarded to the Department of Communities and Local Government as the views and comments of Gedling Borough Council.

## **Consultation Responses**

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

*The move towards more policy focused PPS is welcomed. However there are concerns that when added together the PPS and the guidance document will result in a system with the same level of complexity.*

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

*The Borough Council are aware that the issue of the impact housing has on the economy has been raised as an omission. While we agree that this is an important omission it is felt that reference to this should come at the regional or sub-regional level rather than the local.*

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

*The definition of 'economic development' has altered from the previous consultation version of PPS4. The definition in that document was a long list of development related to the economy. This draft of PPS4 provides a shorter, wider ranging definition of economic development.*

*Of special concern are the three characteristics given in Para 3 relating to employment opportunities, the generation of wealth and production of an economic output. While Gedling Borough Council are supportive of sustainable economic development, this definition could be exploited by developers to justify the location of development in unsustainable locations.*

*While it is noted that the phrasing of bullet point 1 in Policy EC12.3 has not changed from the previous draft of PPS4 it is felt that the impact the proposals have on the strategy contained within the development plan (with specific consideration given to allocated employment land) should also be a material consideration as it is with town centre uses (see EC20.1 bullet points 3b and 3c).*

4. Does the structure of 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 of the document is user friendly though there is some repetition when describing what regional planning bodies and local planning authorities should be doing. A general list of what the development plan should be doing followed by specific reference to specific requirements at the regional and local level would prove simpler to use and ensure that there was continuity between the regional and local levels.*

*The impact test for main town centre uses is now longer and more stringent. This is likely to have resource implications for local planning authorities both in terms of training and in assessing planning applications.*

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

*The impact assessment now includes the consideration of cumulative impacts. This change from the consultation draft of PPS6 is welcomed as a way for local planning authorities to fully assess the impact of numerous potential developments. Also welcomed is the ability to set floor space thresholds in our local development documents. This will allow local authorities to fully reflect the specific circumstances of their local centres and ensure that the vitality and viability of centres is maintained.*

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?

No

*Gedling Borough Council welcomes the support shown in the draft to emerging low carbon industries. However, it is felt that there is little extra that could or should be done. Decisions about the location of these industries should be taken through planning applications and the need to maintain flexibility means that sites cannot be specifically allocated.*

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

Yes

*No comment*

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

*While it is acknowledged that there are difficulties in providing a figure at district level, due to doubts over how the figure can be arrived at, whether the set target should be for floor space or jobs and the most appropriate level at which to set targets, this will aid Gedling Borough by providing a clear figure to work to when developing our local development documents.*

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.

*Opportunities for developments that may lead to a critical mass allowing other developments to locate in smaller settlements should be taken. While a focus on identified service centres is generally supported, the example of Sherwood Energy Village could be followed. This prioritised economic development to locate within the village of Ollerton and has proved successful in attracting business. Housing has since followed increasing the sustainability of the village.*

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 location of many farms within the Green Belt should be addressed and the weight to be given to farm diversification schemes should be clarified.*

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.

*No Comment*