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PLANNING

Consultation Paper on a new Planning
Policy Statement 4: Planning for
Sustainable Economic Development

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December 2007



Consultation Paper
on a new Planning Policy Statement 4: Planning
for Sustainable Economic Development

December 2007

Department for Communities and Local Government

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Ministerial Foreword by Yvette Cooper

A decade ago, the Government set itself the objectives of achieving high and stable levels of growth and employment and narrowing the productivity gap with the UK's major competitors. Since then, and in contrast to many of our global competitors, the UK has seen significant increases in both employment and productivity. For example, more than 2.6 million new jobs have been created for people and the productivity gap has narrowed with our main industrialised competitors.

Over the next decade, the pace of change in the global economy will intensify, with the increased mobility of people, investment and goods. Rapid technological change and newly industrialised economies will increase competition in the global economy. We also face the critical challenges of global climate change and pressure on natural resources.

We need to be able to respond to these challenges. Planning is crucial to ensuring we can achieve economic growth that continues to provide the jobs that people need and greater investment in the UK economy in an environmentally sustainable way.

This draft Planning Policy Statement: Planning for Sustainable Economic Development aims to build on the objectives for the planning system set out in Planning Policy Statement 1: Delivering Sustainable Development, and provide the tools for regional planning bodies and local planning authorities to plan effectively and proactively for the economic growth they need to help create and maintain sustainable communities.

As a result of this new policy, regional and local planning bodies will support economic development by ensuring that they understand and take into account what their economies need to remain competitive, and responsive to the needs of business, and factor in the benefits of economic development alongside environmental and social factors.

The draft policy sets out how we expect planning bodies to develop a robust evidence base to underpin their decisions and to ensure that they have a flexible and responsive approach to providing for the needs of business not simply by identifying a supply of land, but by making better use of market information to inform their plans and decision-making.

By achieving a proper balance between economic opportunities and environmental and social issues, we can ensure development is sustainable but continues to deliver the stability, jobs and growth that the communities in this country need and deserve.

I welcome your views on this consultation draft on Planning for Sustainable Economic Development.

Part 1: Introduction

This consultation paper seeks comments on a draft Planning Policy Statement on sustainable economic development. The purpose of this statement will be to put in place a national planning policy framework for economic development at regional, sub-regional and local levels for both urban and rural areas. Operating within this framework, it will be the responsibility of the regional planning bodies and local planning authorities to determine how best to plan for economic development, in the context of their responsibilities and taking account of their particular local circumstances. This draft Planning Policy Statement complements and should be read together with other relevant statements of national planning and economic development policy, in particular Planning Policy Statement 1: Delivering Sustainable Development, and its Annex on Climate Change.

This draft statement has been developed in response to recommendations made in the *Review of Land Use Planning* by Kate Barker published in December 2006, a commitment made in the White Paper *Planning for a Sustainable Future* published in May 2007 and the proposals set out in the *Review of sub-national economic development and regeneration* published in July 2007.

This statement, when published in its final form, should be taken into account by local planning authorities and regional planning bodies in the preparation of their Local Development Documents and Regional Spatial Strategies (this includes the Mayor of London in preparing the Spatial Development Strategy for Greater London). They will need to consider the extent to which emerging local development documents and regional spatial strategies should have regard to the policies in the final statement but they should not, in seeking to reflect new policies in plans, delay the plan-making process. The policies in the final statement may also be material, depending on the particular circumstances of the case, to decisions on individual planning applications and appeals.

The Partial Impact Assessment

The Partial Impact Assessment (Partial IA) in Part 3 of this statement makes a provisional assessment of the impact of the policy in terms of the costs, benefits and risks of the new policy statement. Your views are welcomed on any aspect of the Partial IA and in particular the costs and benefits of the proposed policies.

Consultation arrangements

We look forward to receiving comments and views on the draft planning policy statement and the Partial IA. Responses are invited by 17 March 2008. You may wish to use the form in Part 4 in making your response. This sets out the questions on which we would like your views.

Responses and any questions about the consultation should be directed to:

Alison Davis
Communities and Local Government
Planning Economic & Social Policy Division
Zone 1/J3
Eland House
Bressenden Place
LONDON, SW1E 5DU

Telephone: 020 7944 3992

Fax: 020 7944 3949

Or by e-mail: economicdevelopment@communities.gov.uk

It would be helpful if responses from representative groups could give a summary of the people and organisations they represent.

We intend to publish a summary of responses to this consultation by the end of Summer 2008 on the Communities and Local Government website. Paper copies of the summary will be available on request.

All responses will be made public unless confidentiality is specifically asked for. However, correspondents should be aware that confidentiality cannot always be guaranteed, for example where a response includes evidence of a serious crime. Any automatic confidentiality disclaimer generated by your organisation's IT system will not be respected unless you specifically include a request to the contrary in the main text of your response.

This consultation is being conducted in accordance with the *Government's Code of Practice on Written Consultation*. The criteria are reproduced in Part 5. Any procedural observations or complaints about the consultation exercise should be sent to:

Albert Joyce
Communities and Local Government Consultation Co-ordinator
Zone 6/H10
Eland House
London SW1E 5DU

or by e-mail to albert.joyce@communities.gsi.gov.uk

Part 2: Planning Policy Statement 4: Planning for Sustainable Economic Development

INTRODUCTION

Background

1. In an increasingly competitive and knowledge-driven global economy, the planning system is a key lever the Government has to contribute towards improving productivity¹, and the UK's long-term economic performance.
2. Economic growth generates wealth and raises living standards. The planning system affects productivity and employment – the two drivers of economic growth – and influences wider economic objectives such as regeneration and the provision of new housing which contribute to quality of life.
3. The Government's framework for improving productivity and employment is based on maintaining macroeconomic stability, ensuring job opportunities for all, and using microeconomic reforms to tackle market failures around the drivers of productivity – investment, innovation, competition, skills and enterprise.
4. Planning policy influences the drivers of productivity, and facilitates employment growth. However, if it is not responsive to market signals it can also represent a barrier to employment and productivity growth. This is as true in rural areas as in urban areas.
5. The planning system affects investment by providing certainty of land use and improvements in infrastructure. When firms and individuals are sure of the future use of their own and surrounding land then they are more likely to commit to investment. Well planned infrastructure improves productivity, for example by cutting journey times and so increasing labour mobility, and creates environments in which people want to live and work. Competition and enterprise can also be improved when new firms are able to enter markets and challenge existing firms.

Economic Development – policy outcomes

6. The Government's key policy outcomes for economic development are to:
 - i) Raise the productivity of the UK economy;
 - ii) Maximise job opportunities for all
 - iii) Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions;
 - iv) Deliver sustainable development, the key principles of which, including responding to climate change, are set out in Planning Policy Statement 1² and the annex to PPS1 on Climate Change;
 - v) build prosperous communities by improving the economic performance of cities, sub-regions and local areas, promoting regeneration and tackling deprivation.

¹ See *Productivity in the UK 7: Securing long-term prosperity* published by HMT December 2006

² Planning Policy Statement 1: *Delivering Sustainable Development* (ODPM, 2005). The approach to delivering sustainable economic development also forms part of Planning Policy Statement 1.

7. Further, as set out in the *Review of Sub-National Economic Development and Regeneration*, the Government aims to support its economic growth objectives and tackle deprivation at every level, by empowering all local authorities to promote economic development and neighbourhood renewal, and better incentives for achieving economic growth and for ensuring disadvantaged areas providing benefit from and contribute to economic development.

Economic development – planning outcomes

8. Planning policies must be flexible enough to respond to the economic challenges and opportunities that globalisation and technological advances bring. This includes responding to and harnessing opportunities from increased competition from businesses in Europe and the United States as well as from emerging high-growth economies. Furthermore the planning system must enable communities to take full advantage of the economic opportunities available to them, sustaining and creating employment and prosperity.
9. The Government wants planning policy to support economic growth in line with the principles established in Planning Policy Statement 1: Delivering Sustainable Development and within the plan led approach. Planning can help create sustainable communities which will enable people to meet their aspirations and potential. To fulfil this role, planning strategies, at every spatial level, must be underpinned by a robust evidence base to enable regional planning bodies and local planning authorities to plan effectively and to develop policies which allow a quick response to changing economic circumstances.
10. However, 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. In this way the planning system will help to ensure increased competition and enterprise, enhanced skills and innovation, increased job opportunities and greater investment in the UK economy.
11. The planning system needs to deliver economic development in a way which is sensitive to the challenges of climate change. Businesses which are able to respond rapidly to environmental challenges by adopting new technologies such as low-carbon innovation may also be able to improve their competitiveness in the global marketplace. Economic development can also help to deliver environmental and social benefits. Government's policies on tackling climate change through the planning system are set out in the annex to Planning Policy Statement 1 on Climate Change.
12. Regional planning bodies and local planning authorities should plan to encourage economic growth. In seeking to achieve positive planning for economic development, the Government's desired objectives are:
 - A good range of sites identified for economic development and mixed-use development;
 - A good supply of land and buildings which offers a range of opportunities for creating new jobs in large and small businesses as well as start-up firms and which is responsive to changing needs and demands;

- High quality development and inclusive design for all forms of economic development;
- Avoiding adverse impacts on the environment, but where these are unavoidable, providing mitigation; and
- Shaping travel demand by promoting sustainable travel choices wherever possible.

What is economic development?

13. For the purposes of this statement, economic development covers a wide range of development including:

- Retail, leisure and offices, both in town centres and elsewhere;
- Light, general and heavy industry;
- Storage and distribution;
- Housing
- High technology premises including research, business and science parks;
- Agriculture;
- Minerals extraction;
- Telecommunications;
- Transport uses related to ports, airports and other inter-modal freight terminals;
- Specialist waste facilities;
- Energy production;
- The creative industries; and
- Tourism development.

Economic development can also comprise other uses which are major employment generators, or which attract other employers into the locality, such as hospitals and higher and further education establishments. The policies set out in this statement will be generally applicable to these forms of development and those listed above and should be read alongside policies in the relevant topic Planning Policy Statement.

NATIONAL PLANNING POLICIES

Positive plan-making for economic development

Regional planning bodies and local planning authorities should plan positively and proactively to encourage economic development, in line with the principles of sustainable development. In particular they should develop flexible policies which are able to respond to economic change and the need for co-ordination with infrastructure and housing provision.

14. Proactive planning and a shared vision will help deliver homes and jobs, coordinate infrastructure investment and improve productivity, as well as a just society that promotes social inclusion, community cohesion and personal well-being.
15. Both regional planning bodies and local planning authorities play a pivotal role as place-shapers within their communities. Through the preparation of sustainable community strategies, local area and multi-area agreements, local development frameworks and regional spatial strategies, local authorities, working with regional planning bodies, can help to ensure that positive, strategic planning is placed at the heart of the local authority, the local community and the local business community. The regional spatial strategy should support economic growth across the region and sub-region whilst the core strategy should support the local vision.
16. As place-shapers, regional planning bodies and local planning authorities can help to support economic growth in their area, address regional disparities, promote opportunities for regenerating deprived areas and focus on economic under-performance especially in those areas that have suffered from economic restructuring (such as former coalfield areas), or areas with particular issues (such as the seasonal impact on coastal towns and local economies dominated by agriculture).
17. Specific planning tools are available to assist local planning authorities to support their economic development goals. For example, through the use of local development orders and simplified planning zones, a local planning authority can help to secure development or redevelopment in part of its area by removing the need for separate planning applications.

Using evidence to plan positively

Regional planning bodies and local planning authorities should use a wide evidence base to understand both existing business needs and likely changes in the market, to prepare policies to support sustainable economic development in their area.

18. To achieve this, regional planning bodies and local planning authorities should:
 - Thoroughly assess the existing supply of land available for economic development through an employment land review³. Where possible, land use reviews, such as housing and employment, should be undertaken at the same time to ensure a full assessment of competing land uses is made. Where appropriate, local authorities should carry out joint land use reviews;
 - Ensure that the strategy takes into account the nature of the regional or local character and the need for a high quality environment;
 - Ensure that the strategy addresses the particular needs of rural areas in terms of new economic opportunities,
 - Take account of the different locational requirements of businesses, such as the size of site required, site quality, access and proximity to markets, as well as the locally available workforce;

³ For further information see *Employment Land Reviews: Guidance Note* published by the Office of the Deputy Prime Minister December 2004.

- Take account of relevant market information and economic data, including price signals;
- Maintain an up-to-date assessment of the demand for employment land, taking into account the wider spatial vision for the area or where monitoring reveals an excess or shortfall of employment land. This assessment should take into account market conditions and trends, economic data, including price signals, and the needs of different types of economic development;
- Ensure the plan supports existing sectors, taking into consideration whether they are expanding or contracting;
- Where possible identify and plan for new or emerging sectors likely to locate in the region/sub-region/local area or which the regional planning body or local planning authority wish to attract to the region or area, but maintain flexibility to accommodate sectors not anticipated in the plan;
- Recognise, and positively plan for, the benefits that can accrue when certain types of businesses locate within proximity of each other or with other compatible land uses such as universities and hospitals;
- Develop policies, in conjunction with the higher and further education sectors and other stakeholders, to assist business, particularly knowledge based and high-technology industries;
- 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 development should be in sustainably sited locations, so as to avoid congestion and to preserve local amenity interests as far as possible whilst ensuring accessibility (including to rail and water transport where feasible);
- For telecommunications networks, provide an appropriate framework, including policies and proposals for the siting and external appearance of telecommunications developments, and for guiding such developments where sites other than those identified in the plan are proposed⁴; and
- For office (B1a) development, give preference to the identification of sites in or on the edge of town centres for larger office development, consistent with the sequential approach in Planning Policy Statement 6, whilst recognising that market demand will influence office location. Opportunities for smaller scale office development should be promoted taking account of local circumstances and wider benefits that may arise from the proposal. 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.

⁴ Further advice on the handling of telecommunications development, including guidance on consultation arrangements, development control, mast and site sharing and consideration of health concerns is available in the Appendix to Planning Policy Guidance Note 8: Telecommunications

19. The recent *Review of sub-national economic development and regeneration*⁵ proposed a new statutory economic development duty for upper tier local authorities. This duty would require them, either on their own or jointly with other authorities and in consultation with key partners, to carry out an assessment of the economic circumstances within, and challenges facing, their local economy. The proposed economic assessment could play a central role in the evidence base needed to underpin regional strategies and core strategies. The Government will consult separately on the proposed new economic duty.
20. A range of data is currently used within the planning system to help inform plan-making and decision-taking on economic development. Many economic markets operate at the sub-regional level, are not consistent with local authority administrative boundaries, and in some areas cross regional boundaries. To plan effectively for these markets, regional planning bodies and local planning authorities should work together on a sub-regional basis. Planning Policy Statement 3 sets out an approach to sub-regional assessments based upon housing markets. Local planning authorities and regions should consider using this as a basis for assessing economic data taking account of the particular characteristics of the key sectors in their economies.
21. An indicative list of the range of data is at Annex A to this draft Planning Policy Statement. For the regional spatial strategy, regional and sub-regional data will be more appropriate. At the local level, local data will be necessary, whilst ensuring the duplication of information prepared for plan-making at the higher levels is avoided. Upper and lower tier authorities should co-operate in gathering economic data.
22. The annual monitoring process should be used to track whether the local authority's economic strategy is on course and the need for any changes.

Recognising the needs of business

Recognising that they will not be able to anticipate all changes in the economic climate, local planning authorities should plan for, and facilitate a supply of land which will be able to cater for the differing needs of businesses and the expected employment needs of the whole community but which is flexible enough to be responsive to a changing economy or new business requirements. Local authorities should avoid designating sites for single or restricted use classes wherever possible and avoid carrying forward existing allocations where this cannot be justified.

23. Development plans need to be based on good evidence but also be able to respond to changing economic circumstances. Local planning authorities can minimise the need for revision by ensuring they have a good understanding of their local and wider economy so that they can plan effectively and, where appropriate, act in collaboration with other authorities.

⁵ Published jointly by HM Treasury, the Department for Business, Enterprise and Regulatory Reform and Communities and Local Government, 2007, and available from www.hm-treasury.gov.uk

24. Local planning authorities should:
- Set criteria based policies, and where necessary to safeguard land from other uses, identify a range of sites, to facilitate a broad range of employment uses, limiting the designation of sites for single or restricted use classes, and promoting mixed-use developments in appropriate locations;
 - Cater for a broad range of business types such as small start-up businesses, through to small and medium sized enterprises as well as larger commercial or industrial premises. The authority should consider how this portfolio can be delivered, including whether land assembly needs to occur, how this can be brought about, and what other mechanisms – working with their partners – should be used;
 - Ensure that site allocations for economic development do not simply carry forward existing allocations, particularly if they are for single or restrictive or single uses. If there is no reasonable prospect of a site being used for economic development during the plan period, the employment allocation should not be proposed or retained, and wider employment uses or alternative uses, such as housing, should be actively considered; and
 - Separate certain types of industry or infrastructure from sensitive land uses where they are detrimental to amenity, a potential source of pollution or an accident hazard. They should also consider the potential impact of permitting additional development near to existing businesses, especially sites handling hazardous materials.

Efficient and effective use of land

Due to the increasing demands on the land available for development, local planning authorities should seek to make the most efficient and effective use of land and buildings, especially vacant or derelict buildings (including historic buildings). They should also take into account changing working patterns, economic data including price signals and the need for policies which reflect local circumstances.

25. To achieve this, local planning authorities should:
- Use a range of evidence to assess the most efficient and effective use of land in plan-making and decision-taking, including the use of market signals. Planning authorities should take into account price differentials between land allocated to different use classes, when deciding on the most productive use of land, while ensuring that the overall level of land supply is sufficient so that there is the right potential for both employment and residential use.
 - Prioritise previously developed land⁶ which is suitable for re-use;
 - Take a constructive approach to changes of use where there is no likelihood of demonstrable harm;

⁶ Previously developed land has the same meaning as set out in Annex B to Planning Policy Statement 3: Housing.

- Encourage new uses for vacant or derelict buildings, including historic buildings⁷ and buildings in rural areas, as this can contribute positively to an area's regeneration, provide wider economic benefits, help to preserve historic assets and also reduce the need for greenfield development;
- Take account of the changing spatial working patterns that advances in information and communication technologies allow, such as live-work units or the use of residential properties for home working;
- Include a policy on tall buildings⁸ where this is justified by local circumstances. This should include an assessment of suitable sites or criteria which could be used to determine whether sites are suitable for tall buildings, taking into account local considerations, such as land availability, transport capacity and design; and
- Develop car parking policies for non-residential development at the local level, setting maximum standards, taking into account the following criteria:
 - The current and future levels of public transport accessibility;
 - The need to encourage cycling, walking and sustainable modes of transport;
 - The need to plan for appropriate disabled parking and access;
 - The varying needs of different business sizes and types;
 - The particular needs of hospitals arising from their 24 hour service (which impacts on accessibility for patients and visitors and on staff working patterns)
 - The differing needs of rural and urban areas;
 - Provision for powered two-wheelers.

Securing a high quality and sustainable environment

Local planning authorities should seek to ensure that economic development, regardless of location, is of high quality and inclusive design which improves the character and quality of an area and the way it functions⁹. They should also ensure that the design of new commercial development addresses the challenges posed by climate change¹⁰ and the pressures on the natural and historic environment.

26. The need for regions, sub-regions, cities, towns and neighbourhoods to make the most of their assets and improve their quality of place is of ever-greater importance in creating the right conditions to attract and retain businesses, jobs and investment. A high quality and well-designed working environment can foster local economic growth by influencing a company's decision to locate and remain in a particular area, encouraging other businesses

⁷ See *Heritage Works: The Use of Historic Buildings in Regeneration* (English Heritage, RICS and BPF, 2005) and *Regeneration and the Historic Environment: Heritage as a Catalyst for Better Social and Economic Regeneration* (English Heritage, 2005)

⁸ See *Guidance on tall buildings* (CABE and English Heritage, 2007)

⁹ See *By Design: Urban Design in the Planning System: Towards better practice* (DETR and CABE, 2000) and *Better Places to Work* (CABE, 2005).

¹⁰ See annex to Planning Policy Statement 1 on Climate Change

to invest and attracting employees and visitors. High quality environments and landscapes can also bring economic benefits by attracting tourism related businesses.

27. To achieve this, local planning authorities should:
- Ensure that development is durable and sustainable, and delivers attractive and healthy working environments, for example, through the provision of landscaping and open space, pedestrian access and safe cycle parking, and, where appropriate, through facilities such as health care, child care, shopping and leisure;
 - Encourage telecommunications mast or site-sharing and seek to safeguard locations from telecommunications development which are sensitive because of their impact on the built, historic or natural environment.

Development Control – a positive approach

Local planning authorities should adopt a positive and constructive approach towards proposals for economic development, operating within the context of the plan-led system.

28. Full consideration should be given to the economic aspects of a planning proposal, alongside social and environmental aspects, to ensure that communities – and all sectors of those communities – have, for example, access to jobs and services as well as homes and an attractive environment.
29. When considering development proposals, local planning authorities should:
- Adopt an evidence-based approach to proposals which do not have the specific support of plan policies, for example, using relevant market and other economic information as well as environmental and social information and other relevant evidence in determining the application;
 - Consider proposals favourably unless there is good reason to believe that the economic, social and/or environmental costs of development are likely to outweigh the benefits. Where development is in accordance with the plan it should normally be approved;
 - Ensure they take full account of the longer term benefits, as well as the costs, of development, such as job creation or improved productivity, including wider benefits to national, regional or local economies.
30. Changes in the local economy, or technological innovations which lead to new ways of working, may result in proposals coming forward which were not anticipated when the development plan was drawn up. Local planning authorities should judge whether those proposals help to meet the wider objectives of the local development framework or those set out in the core strategy. In these circumstances local planning authorities should assess the costs and benefits of such a proposal using the best available evidence, including economic evidence, to determine whether the proposal should go ahead and they may also wish to consider whether a revision of the plan is necessary. Local planning authorities should consider these proposals favourably unless there is good reason to believe that the economic, social and/or environmental costs of development are likely to outweigh the benefits.

31. Local planning authorities should also enter into early discussions, or a planning performance agreement, with developers of major proposals, particularly where the proposals are likely to raise significant issues or be controversial. This will ensure a good understanding of the development proposed and help to improve the quality of the decision-making. It can also help to minimise any delay where the developer is unfamiliar with particular procedural requirements.
32. In rural areas, recognising that accessibility – whether by private transport, public transport, walking and cycling – is a key consideration, local planning authorities should:
 - Support farm diversification schemes for business purposes that help to sustain agricultural enterprise and are consistent in their scale with their rural location and environmental impact;
 - Recognise that a site may be an acceptable location for development even though it may not be readily accessible by public transport;
 - Support sustainable rural tourism and leisure developments that benefit rural businesses, communities and visitors¹¹; and
 - Support small-scale economic development where it provides the most sustainable option in villages that are remote from, and have poor transport links with, local service centres.
33. If, having taken account of the development plan and all material considerations, local planning authorities propose to refuse a planning application, they should set out clear reasons why, on the basis of the evidence, they have decided that the costs of the proposal outweigh the benefits.

Cancellation of Policy

34. The following are cancelled (**only when the final Planning Policy statement is published**):
 - Planning Policy Guidance note 4: Industrial, commercial development and small firms, DoE, 1992;
 - Paragraphs, 53, 54 and Annex D of Planning Policy Guidance note 13: Transport; DETR; 2001;
 - Planning Policy Guidance note 8: Telecommunications, DTLR, 2001, except the appendix and annexes which remain in force;

¹¹ In line with the Department for Culture, Media and Sport's strategy document *Winning: a Tourism Strategy for 2012 and Beyond*

Annex A

DATA:

Economy

- **Employment by Broad Sector:** Gives background on regional economic structure. It is available by region and gives an insight into the importance of different sectors for regional employment. (ABI)
- **VAT Registrations/De-Registrations:** Gives an indication of entrepreneurship over time as well as business failure. It is available on a regional and a county/unitary authority basis and can be compared against stocks of registrations from the same source. (ONS)
- **Business Size:** The number of different business sizes can also inform an understanding of the importance of different industries to a region. Detailed yearly data is available on a regional basis of the number of different businesses in different employment size bands for broad categories. (ABI)
- **Employment Change:** Changes in employment patterns can give an insight into the growth/decline of different sectors for regional employment. (ABI)
- **Economic Activity Rate:** This shows the percentage of the population that is either in work or looking for work and can be used to help understand the potential workforce for new business development. (Labour Force Survey)

Economic Performance

- **Gross Value Added (GVA):** This measures the difference between the value of the output of businesses and the value of their inputs and is on a regional and county/unitary authority basis. (ONS)

The Population and Workforce

- **Qualifications:** This can show the percentage of the population that has achieved different levels of qualifications and can be used to give a background of the potential workforce of an area. (Census)
- **Occupations:** This can show the percentage of the population of a specific area or region who are employed in different jobs. (Census)
- **House Affordability:** This is a ratio of lower quartile house prices to lower quartile earning. It is available by region and is an indication of housing need. (Land Registry and ONS)
- **Population:** Data on changes in population help indicate the scope for development. (Land Registry and ONS)
- **Index of Multiple Deprivation:** The index published at ward level can give an insight into the regeneration opportunities in a deprived area.(CLG)

The Labour Market

- **Earnings:** Earnings can give an insight into the appropriate scope/type of economic development in an area, on a regional and county/unitary authority basis. (ABI)
- **Unemployment:** Gives background on the scope for economic development opportunities. It needs to be understood in the context of the qualification and skills of a potential workforce. (ONS)
- **Travel to Work:** Information on the different methods of commuting and catchment areas can help to inform infrastructure decisions. (Census)

Land and Property Markets

- **Unimplemented Planning Permissions:** Existing data held by local planning authorities on planning permissions could be a helpful sign of what development is in the pipeline.
- **Existing Floorspace:** Data is available on floorspace currently available. This can provide an insight into how much spare capacity already exists for businesses. (Valuation Office)

Survey Data

In conjunction with more regional information, local survey data may be used for plan making, review and development control decisions, provided they are up to date. Joint LPA studies benefit from economies of scale, better reflect functional planning areas and tend towards easier comparison. Some examples include:

- Floorspace Availability by rent and size
- Rents by grade
- Office land values
- Construction rates
- Trends and demand

Distinctive, Economic and Property Challenges

- Stock condition
- Likely future changes to stock
- Known infrastructure issues
- Marketability of sites

Forecasts and Projections

The following set of 'Forecasts and Projections' may also be useful to inform the review of planning strategies at the regional and sub-regional level.

- **Demographic** (population and household) (ONS and CLG). Bespoke models may be appropriate.
- **Economic** (GVA). Usually regional or sub-regional.
- **Population** – economic interactions (modelling based upon assumptions that increases in population will impact upon economic performance and vice versa)
- **Spatial implications of forecasts and projections** (modelling based upon sectional and spatial implications of economic change).

Part 3: Partial Impact Assessment

Summary: Intervention & Options		
Department /Agency: Communities and Local Government	Title: Impact Assessment of Planning for Sustainable Economic Development	
Stage: Draft	Version: 1	Date:
Related Publications: Planning for a Sustainable Future: White Paper		

Available to view or download at:

<http://www.communities.gov.uk>

Contact for enquiries: Alison Davis

Telephone: 020 7944 3992

What is the problem under consideration? Why is government intervention necessary?

The Barker Review of Land Use Planning (December 2006) identified that planning authorities do not always give sufficient weight to economic considerations when drawing up plans and determining planning applications. Planning Policy Guidance 4 is infrequently referred to as it is out of date (1992). Furthermore, Barker argued that without reform of the current planning system, the system would not be responding efficiently and effectively to the economic challenges of a global and competitive market. The Planning White Paper indicated that the Government would be updating planning policy in this area to ensure that the planning system provides a more positive approach to economic development.

What are the policy objectives and the intended effects?

- Positive plan-making, recognising the needs of business and using an evidence base which includes market information;
- Ensuring a good supply of economic land, in suitable locations, and used effectively;
- Joint working underpinned by good sub-regional understanding;
- Requiring new development to be of high quality and sustainable design;
- Taking a positive and constructive approach to development control.

What policy options have been considered? Please justify any preferred option.

- A: Retain Planning Policy Guidance 4 as the government’s planning policy for industrial, commercial and small firms.
 - B: Introduce a new PLANNING POLICY STATEMENT for Sustainable Economic Development which updates planning policy to ensure it takes into account the costs and benefits of economic development alongside the social and environmental ones.
- B is the option preferred to support the government’s objective of sustainable development

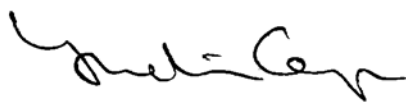
When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The responses to this consultation will be analysed and relevant comments fed into the final policy, due to be published Spring/Summer 2008.

Ministerial Sign-off For Consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



.....Date:

Summary: Analysis & Evidence			
Policy Option: B		Description: Implement new PPS: Planning for Economic Development	
COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Evidence base outlines difficulties in quantifying impacts. Cost of gathering sufficient evidence to be ascertained as part of consultation process.
	One-off (Transition)	Yrs	
	£		
	Average Annual Cost (excluding one-off)		
	£		
		Total Cost (PV)	£
Other key non-monetised costs by 'main affected groups' Planning bodies: Resource costs to regional planning bodies (RPBs) and local planning authorities (LPAs) in developing evidence bases and gaining economic expertise in order to carry out more effective plan-making and development control Business: Short-term cost for building better design.			
BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Evidence base outlines difficulties in quantifying impacts. Further details to be ascertained as part of the consultation process.
	One-off	Yrs	
	£		
	Average Annual Benefit (excluding one-off)		
	£		
		Total Benefit (PV)	£
Other key non-monetised benefits by 'main affected groups' LPAs and RPBs: Clearer policy should enable better plan-making – saving resource in the long-term. Business: improved clarity should lead to better applications with greater chance of success, and fewer delays in the process. Public: Potential for improved job opportunities, in high quality built environments, and faster regeneration of deprived areas. Environment: potential for energy saving through high quality design and reuse of existing buildings.			

Key Assumptions/Sensitivities/Risks					
Assumption: RPBs and LPAs will implement the policy.					
Risk: Planners will lack the economic expertise to do so effectively.					
Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £		
What is the geographic coverage of the policy/option?			England only		
On what date will the policy be implemented?			Spring/ Summer '08		
Which organisation(s) will enforce the policy?			No enforcement		
What is the total annual cost of enforcement for these organisations?			£ NA		
Does enforcement comply with Hampton principles?			NA		
Will implementation go beyond minimum EU requirements?			NA		
What is the value of the proposed offsetting measure per year?			£0		
What is the value of changes in greenhouse gas emissions?			£0		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		NA	NA	NA	NA
Impact on Admin Burdens Baseline (2005 Prices) (Increase – Decrease)					
Is this about					
Increase	£0	Decrease	£0	Net Impact	£0

EVIDENCE BASE (FOR SUMMARY SHEETS)

Sectors and groups affected

1. The proposed policy statement potentially has an impact on the following:
 - Local planning authorities and regional planning bodies
 - Businesses of all sizes
 - Commercial developers
 - The general public, as potential employees and customers, and who may be affected by the results of development proposals.

OVERVIEW OF OPTIONS

Option A: Do nothing. Retain the current policy as set out in Planning Policy Guidance 4.

2. In particular this would mean:
 - a. a failure to bring forward economic policies to respond positively to rapid changes in the global and local economy in the context of climate change;
 - b. a failure to support sustainable development by ensuring a level playing field where the benefits of economic development are fully considered alongside environmental and social factors;
 - c. no increased emphasis on the importance of evidence based approach towards planning for economic development;
 - d. no refinement of the policy approach towards the location of office development;
 - e. maintaining national car parking maxima as set out in Annex D of PPG13, in particular, failing to recognise the particular needs of hospitals; and
 - f. retaining current approach to the rural economy as set out in Planning Policy Statement 7.

Option B: Implement the new Planning Policy Statement for Planning for Sustainable Economic Development.

3. This provides an overarching positive framework to planning for sustainable economic development, consisting of the following policy elements:

Appropriate weighting given to economic development

4. When drawing up plans, regional planning bodies (RPBs) and local planning authorities (LPAs) should give appropriate weighting to the economic benefits that developments may bring, such as employment and regeneration, in addition to considering social and environmental factors.

Using evidence

5. RPBs and LPAs should ensure they have used the best evidence available, including market information, to prepare their plans, taking account of the current economic climate as well as likely future direction of the local and wider economy.

Recognising the needs of business

6. LPAs and RPBs should ensure they understand the needs of business so they can plan appropriately. Through evidence they should recognise that market demand may influence the location of office development and that where office development is ancillary to other forms of economic development, it does not need to be located in the town centre.

Delivering a supply of land for economic development and the importance of joint working

7. There are two main changes for delivering a supply of land for economic development. These are:
 - a. The draft Planning Policy Statement encourages joint working across local authorities and, where appropriate, joint housing and employment reviews to help identify the right supply of land.
 - b. The draft Planning Policy Statement also emphasises the need for a critical approach to be taken towards allocating employment land if there is no realistic prospect of it being used as such during the plan period.

Identifying suitable locations

8. Draft Planning Policy Statement encourages mixed-use development and a stronger emphasis on regeneration, particularly in deprived areas.

Efficient and effective use of land

9. The key changes to ensure efficient and effective use of land are:
 - a. LPAs should take a positive approach towards reuse of heritage/listed buildings for economic development.
 - b. RPBs and LPAs should take a positive approach to changes of use where there is no likelihood of demonstrable harm.

- c. RPBs and LPAs should also take into account changing working patterns and the impact that advancements in information and communication technologies has on spatial planning.
- d. LPAs should prepare locally specific parking policies rather than simply following national maxima levels as is currently set out in Annex D of PPG13: *Transport*. This includes parking policies for hospitals to reflect the needs of patients.

High Quality Environment

- 10. The draft Planning Policy Statement highlights the importance of good design for economic development.
- 11. Furthermore, separate certain types of industry or infrastructure from sensitive land uses where they are detrimental to amenity, a potential source of pollution or an accident hazard.

Managing Development

- 12. LPAs should ensure they use good evidence to weigh up the costs and benefits of development, particularly where proposals may be contrary to the development plan. LPAs should consider planning applications favourably unless there is good reason to refuse the application.
- 13. LPAs should also support proposals which foster a strong and diverse rural economy, recognising that not all development in rural areas can be accessed by public transport.

COSTS AND BENEFITS

Difficulties in Quantifying Impacts

- 14. Planning policy is not prescriptive. In order for the Government's to fulfil its devolutionary commitment, local authorities have control over plan making and development control. Planning policy statements are important considerations for plan making and development control but they do not lay out detailed instructions for what LPAs and RPBs should do. It is therefore difficult to quantify the impact of a new planning policy statement as the real impact will rest on how local authorities respond to it.
- 15. Many of the key policy changes included in the proposed policy compared to Planning Policy Guidance 4 (PPG4) are changes of emphasis or reinforcing of messages rather than new policies. For example PPG4 discussed the need for evidence but did not lay the same emphasis on the use of market information and benefits to the UK as a whole. It is difficult to establish how LPAs and RPBs will respond to changes in emphasis.
- 16. The details of the suggested market indicators in Annex A of the policy are not finalised, so the cost of their collection can not yet be calculated.

Option A

17. Retaining Planning Policy Guidance 4 should not lead to any additional costs or benefits apart from the increasing costs of it being referred to infrequently. Current evidence suggests that Planning Policy Guidance 4 is “very rarely” cited by applicants, local planning authorities or inspectors during the application process or in appeal decisions relating to employment uses/ sites¹².

Option B

Benefits

Appropriate weighting given to economic development

18. The overarching benefit of the proposed Planning Policy Statement will be in ensuring that sustainable economic development, as a key component of sustainable development more widely, is fully considered and planned for – both in plan making and determining planning applications and appeals.
19. The Barker Review of Land Use Planning concluded that the benefits associated with economic development are not always taken into consideration when drawing up development plans and determining planning applications. The proposed Planning Policy Statement therefore asks LPAs and RPBs to factor in the costs and benefits of economic development, alongside other costs and benefits, when drawing up plans and determining planning applications. More balanced and effective use of available evidence should enable more sustainable choices about development proposals to take place.

Using evidence

20. Through the use of better evidence, including market information and other economic evidence, RPBs and LPAs can improve how they plan for economic development and be more responsive to changing economic circumstances. A better understanding of the local and wider economy will also help LPAs to understand the economic benefits of development. This should allow better evaluation of the costs and benefits of housing, business, industrial and other forms of developments.
21. CLG commissioned some initial research into the use of market indicators. The research suggests that, at present, there is a wide variety of evidence being used by RPBs and LPAs. By recommending a set of indicators as is being proposed, it will be easier to compare market information across LPAs and RPBs and should reduce work that is duplicated across the different spatial levels. We will do more work on this area in light of the proposed new Local Economic Duty on upper tier local authorities.

¹² Planning for Economic Development (Nathaniel Lichfield and Partners, 2006)

Recognising the needs of business

22. Developers and businesses will benefit from LPAs' greater awareness of business needs through their use of evidence. Because of the changing nature of the economy, such as the decline in heavy industry and the rise of the high tech and service sectors, the needs of business have also changed. More flexible formats from traditional land uses may be required and in some cases it may not be appropriate for office development to be located in the town centre, particularly where it is ancillary to other forms of development. Many businesses now need supporting office development. Recognising the needs of business and being aware of the changing nature of the local or sub-regional economy will enable local planning authorities to plan for the employment and skills needs of the local community.
23. For example, recent research¹³ projects that 'the number of jobs in the distribution and service sectors will increase by up to 600,000 and 2 million respectively over the next ten years'. This increase in service sector employment will result in 'an increase in demand for offices and higher density accommodation, whereas the increase in distribution will require locations with good strategic rail and road access'. A more responsive approach to land uses will better cater for these changes.

Delivering a supply of land for economic development and the importance of joint working

24. The draft Planning Policy Statement stresses the need for a critical approach to be taken towards allocating employment land, particularly that land with single or restrictive uses, if there is no realistic prospect of it being used as such during the plan period. The policy approach is the need to make the best use of available and sustainable land. Ensuring that land is not held back for specific employment uses if there is no realistic prospect of it being used as such means that it could be released for other employment uses, for mixed-use or for housing.
25. The draft Planning Policy Statement also encourages joint working across local authorities and where appropriate, joint housing and employment reviews to help identify the right supply of land. The benefit of this is that it should make best use of available resources across local authorities, avoiding duplication and helping to reflect more accurately sub-regional issues.

Identifying suitable locations

26. The draft Planning Policy Statement asks LPAs to consider the potential for regeneration in their plans and to prioritise deprived areas for development. This should provide social benefits for the communities which are redeveloped. It may involve the better use of brownfield sites and the visual improvement of an area.

¹³ Regional Futures: England's Regions in 2030 (2005), cited in Planning for Economic Development, *ibid*.

27. The proposed Planning Policy Statement asks LPAs to plan for a range of allocated sites including for mixed-use developments with fewer sites being designated for single or restricted use classes. This focus on mixed-use will allow the market to bring forward proposals which better reflect the need for homes, jobs and services to be close to one another.

Efficient and effective use of land

28. The draft Planning Policy Statement encourages a positive approach to be taken towards reuse of heritage/listed buildings for economic development. This will help to bring back into use buildings which may otherwise run the risk of falling into disrepair. Encouraging reuse of heritage sites/listed buildings can also have wider benefits – in that it can help to regenerate an area and provide an attractive working environment where employees want to work. It also has environmental benefits, as around 24% of all waste is generated by demolition and construction¹⁴. RPBs and LPAs should take a positive approach to changes of use where there is no likelihood of demonstrable harm.
29. This Planning Policy Statement aims to encourage local planning authorities to take a more positive approach to planning for economic development through recognising the benefits of technological developments such as increased investment in an area from high technology firms. In a 2004 survey of 2000 workplaces, 55% of employees said that ICT was essential or very important in their job.¹⁵
30. The DTI Annual Small Business Survey 2006 showed that 41% of all businesses are now home based. The proposed policy recognises that new ways of working and changes in technology has an impact on spatial planning and this should be factored into plan making.
31. The draft Planning Policy Statement reviews the current approach to car parking for non-residential development set out in PPG13. It asks LPAs to set local standards, based on nationally set criteria. By retaining the policy requirement to set maximum standards, the proposed policy will limit applicants' ability to over-provide for car parking. However, the new approach is more locally responsive which should benefit business. The increased devolution to local authorities in setting parking maxima will enable greater flexibility for economic development, taking account of local circumstances, reducing wasted land and enabling the better use of space, designing 'places' with environmental, social and economic factors in mind.
32. Local authorities may be able to set stricter policies in appropriate locations, reducing car use and encourage more sustainable travel patterns. Where local car parking maxima are higher in some places, given local circumstances, businesses may benefit by being able to attract workforces more easily. Where justified, rural LPAs may provide more car parking which will improve access for those in areas that have poor public transport links.
33. Patients and visitors to hospitals should benefit from local planning authorities giving greater attention to their needs in setting parking policies for hospitals.

¹⁴ *The Role of Historic Buildings in Urban Regeneration* (House of Commons, ODPM: HPLGR Committee, 2004)

¹⁵ See the DTI employer survey of 2000 workplaces (2004) at www.berr.gov.uk.

High Quality Environment

34. The proposed Planning Policy Statement asks LPAs to draw up plans which promote good design and secure low carbon emissions through design. This should reduce costs that are associated with bad design such as crime, low productivity and poor health.
35. CABE research on the value of developing, owning and operating a typical office over the 25 years of a traditional occupational lease shows that, excluding land, 6.5 per cent of the total goes on construction cost, 8.5 per cent goes on furnishing, maintaining and operating the facility and 85 per cent goes on the salary costs of the occupiers. Therefore, factors that influence the effectiveness of staff, such as an improved working environment, are the factors that will have the greater financial/ productivity gains.

Managing Development

36. The proposed Planning Policy Statement asks LPAs to adopt a positive and constructive approach towards planning applications for economic development. Using good evidence they should weigh the expected benefits, including long term benefits, of the application against the expected costs.
37. This evidence based approach should enable local planning authorities to have a more positive and flexible approach to proposals which come forward which may not be in line with the plan. Kate Barker identified the rejection of proposals that do not fit in with intermediate or out of date development plans as a restriction to development. Using an evidence based approach to these cases should decrease the number of unnecessary restrictions to development. Ensuring that decisions on development proposals are based on good evidence may help to reduce the number of appeals and the number of applications referred to the Secretary of State for consideration.
38. The proposed Planning Policy Statement highlights that lack of accessibility should not always prevent remote rural applications from being accepted. This should promote and sustain the viability of these rural areas.

Costs

Positive Approach towards Economic Development

39. Generally there will be some costs of implementing the new policy and training relevant parties to understand how to implement it. In particular, there may be staff and consultancy costs for LPAs to bring in specialist economic knowledge.

Using evidence

40. In many cases, there will be a familiarisation cost for planning authorities, although many already use market information when preparing development plans. There may be a cost (for local authorities) of carrying out increased amounts of analysis, although the costs of larger market information projects may be shared across sub-regions to reduce duplication across the spatial levels.

Efficient and effective use of land

41. Environmental costs may result from the abolition of the car parking maxima, which could potentially lead to increased car use. The fear of losing development to neighbouring areas with less rigorous standards, could give rise to inconsistencies in parking levels in adjacent authorities, or to overly generous parking maxima. This should be mitigated by joint working at sub-regional level, and with reference to the car parking criteria set out in the Planning Policy Statement.

High Quality Environment

42. In the short term, commercial development built to a high quality, low carbon specification may be more costly than development which does not have design as a key consideration.

Joint Working

43. There may be co-ordination costs associated with 'joint working' among LPAs.

Monitoring

44. Under the provisions of the Planning and Compulsory Purchase Act 2004, regional planning bodies and local planning authorities are required to submit annual monitoring reports to the Secretary of State. Among the matters which these reports should cover are:
 - performance against defined core output indicators, and;
 - where policies are not being implemented, the reasons why, and the measures proposed to secure implementation, including through review of the regional spatial strategy and/or local development documents.
45. Guidance on monitoring is set out in *Monitoring Regional Spatial Strategies: A good practice guide* (ODPM, March 2005). Local planning authorities will need to take the new national planning policy into account in their development plans. It will be for authorities to develop a vision for their areas, develop policies to achieve that vision and use their enforcement powers when they consider it appropriate. We will monitor implementation of the planning policy and the outcomes through the Annual Monitoring Review statistics.

Implementation and delivery plan

46. The policy proposals will be refined in the context of consultation feedback from stakeholders. The final Planning Policy Statement on Economic Development is due to be published in Spring/Summer 2008 and rolled out over the following year.

Other Impact Tests

Competition assessment

47. There will be limited impact regarding competition in the general context of economic development.

Small Firms Impact Test

48. We do not anticipate any specific costs to small firms from the proposed policy. Evidence will be welcomed from consultees.

Legal Aid

49. There will be no Legal Aid impact.

Sustainable Development, Carbon assessment, Other Environment

50. The principle of sustainable development underpins the policy proposal. Its emphasis on high quality design, including encouraging low and zero-carbon commercial development as practicable, should play a part in promoting an attractive and inclusive built environment and mitigating climate change.

Health Impact Assessment

51. There should be no significant impact on health.

Race, Disability, Gender and Other Equality

52. We do not consider that there will be any significant impact on any of the equality strands. Evidence will be welcomed from consultees.

Human Rights

53. There will be no Human Rights impact.

Rural proofing

54. Economic activities in rural areas play a significant part in economic development in England and this is recognised in the policy proposal. The ongoing devolution to local government should enable rural authorities to cater better for their community needs.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	Results in Evidence Base?	Results annexed?
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

PART 4: Consultation Questions

Questions on which we would particularly like your views:

Name:.....

Organisation:.....

Address:.....

E-mail address:

Please state whether you agree to your response being made public. Yes/No

1. **Do the policies set out in draft Planning Policy Statement on Economic Development achieve the right balance between economic, social and environmental considerations? Will they help to deliver sustainable development?**

Yes No Comment:

2. **The draft Planning Policy Statement proposes a stronger emphasis on the need for evidence, including economic evidence for plan making and decision making. Do you agree that this is the correct approach?**

Yes No Comment:

3. **If you agree that there should be a stronger emphasis on the need for evidence what are your views on the following:**

- The need for final Planning Policy Statement to include a suggested list of data as at Annex A?

Comment:

- Are there any data/forecasts that should be excluded or added to the proposed list?

Comment:

- Could the proposed data and forecasts also help to form part of the proposed new economic assessment that, subject to separate consultation, Local Authorities would be required to carry out?

Comment:

- What is the most appropriate level at which data should best be collected: regional, sub-regional or local level?

Comment:

- 4. Is there a need for separate planning policy guidance on the use of Simplified Planning Zones as set out in Planning Policy Guidance note 5?**

Yes No Comment:

- 5. Do you agree that the methodology used to determine sub-regional housing markets provide an appropriate proxy for determining economic markets?**

Yes No Comment:

- 6. Is the approach to the location and development of B1 offices suitably flexible to meet the needs of business, whilst delivering sustainable development?**

Yes No Comment:

- 7. Is the less prescriptive approach to non-residential car parking suitably responsive to the needs of business in the context of the objectives in Paragraph 4 of PPG13 Transport?**

Yes No Comment:

- 8. Do you agree that employment sites should not be retained as such if there is no reasonable prospect of them coming forward for development during the plan period?**

Yes No Comment:

- 9. Does this draft Planning Policy Statement deal adequately with the particular needs of rural areas?**

Yes No Comment:

- 10. Will this draft Planning Policy Statement have an impact upon the “equality strands”, and particularly on the Gender, Race and Disability strands? If not, should it? We particularly welcome the views of organisations and individuals with specific expertise in these areas.**

Yes No Comment:

PART 5: The Consultation Criteria

The Government has adopted a code of practice on consultations. The criteria below apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation.

Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community Law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure.

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

The full consultation code may be viewed at:

www.cabinet-office.gov.uk/regulation/Consultation/Introduction.htm

Are you satisfied that this consultation has followed these criteria? If not, or you have any other observations about ways of improving the consultation process please contact:

Albert Joyce
Communities and Local Government Consultation Co-ordinator
Zone 6/H10
Eland House
London SW1E 5DU

or by e-mail to albert.joyce@communities.gsi.gov.uk.