

AGENDA MANAGEMENT SHEET

Name of Committee	Portfolio Holder (Leisure, Culture and Housing) Decision Making Session
Date of Committee	7 August 2009
Report Title	Government Consultation on Draft Planning Policy Statement 4 - 'Planning for Prosperous Economies'
Summary	Government's Department for Communities and Local Government (DCLG) has published the long awaited proposed revisions to the existing Planning Policy Statement (PPS) 4 – 'Planning for Sustainable Economic Development' for a 3 month consultation period. The new Draft PPS4 aims to integrate policy by replacing and streamlining the existing national planning guidance on economic development, town centres and development in rural areas. The Government hopes that this approach will allow communities to meet the economic challenges they face now and in the long term and provide greater certainty for business to invest. The Director's report recommends an appropriate response to the consultation.
For further information please contact	Andy Cowan County Planner Tel. 01926 412126 andycowan@warwickshire.gov.uk
Would the recommended decision be contrary to the Budget and Policy Framework?	Yes/No
Background Papers	None (i.e. The consultation document can be found by following this link: http://www.communities.gov.uk/publications/planningandbuilding/consultationeconomicpps

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
(With brief comments, if appropriate)
- Other Elected Members Councillor D Bryden
Councillor M Doody
Councillor P Fowler
Councillor R Sweet
Councillor J Whitehouse } for information
- Cabinet Member Councillor C Saint
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive
- Legal I Marriott – agreed.
- Finance
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION

YES/NO

(If 'No' complete Suggested Next Steps)

SUGGESTED NEXT STEPS :

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

**Portfolio Holder (Leisure,
Culture and Housing) Decision Making Session
7 August 2009**

**Government Consultation on Draft Planning Policy
Statement 4 - 'Planning for Prosperous Economies'**

**Report of the Strategic Director for
Environment and Economy**

Recommendation

That the conclusions set out in section 4 of the Director's report be agreed as the Council's response to the Government's Consultation on Draft Planning Policy Statement 4 - 'Planning for Prosperous Economies' (May 2009).

1. Introduction

- 1.1 Government's Department for Communities and Local Government (DCLG) has published the long awaited proposed revisions to PPS4 - Planning for Sustainable Economic Development. This consultation draft aims to integrate policy by replacing the existing PPS4 - Planning for Sustainable Economic Development, and streamlining guidance from PPG5 - Simplified Planning Zones, PPS6 - Planning for Town Centres and the economic development elements of PPS7 - Sustainable Development in Rural Areas. The Government hopes that this approach will allow communities to meet the challenges they face in these uncertain economic times and in the long term and to provide greater certainty for business to invest, particularly in low carbon products and services.

2. Draft PPS4

- 2.1 For the purposes of this particular PPS, the Draft usefully defines 'economic development' as: business, offices, research and development (B1) uses; general industrial (B2) uses; storage or distribution (B8) uses; town centre uses – retail, leisure and entertainment, intensive recreation (e.g. indoor bowling), offices, arts, culture and tourism uses. It accepts that the term 'economic development' can include other uses so long as they provide job opportunities, generate wealth or have an economic output. However, whilst other uses clearly have an important role in the economy, this definition excludes uses such as housing, mineral working or waste-to-energy, that are covered by other PPSs.

2.2 Draft PPS4 aims to focus on what is important to allow the economy to grow in a sustainable manner in order to ensure the long term economic success of cities, market towns and rural villages. Its key policy themes are, in summary:-

- (a) **Regional and local authorities** to be required to develop plans that take account of long term economic benefits, including those accruing to the wider regional and national economy such as job creation; and to promote opportunities to regenerate deprived areas and support business diversification in rural areas.
- (b) **Employment land targets** are to be set in Regional strategies down to district level to secure shared policy objectives in economic growth, particularly by providing a good supply of land for economic development. Retention of the principle that local planning authorities should consider planning applications for economic growth favourably unless there is good reason to believe the costs outweigh the benefits (i.e. continued from existing PPS4).
- (c) **Local authorities encouraged** to make full use of the planning tools available to them to simplify and speed up the planning process e.g. Simplified Planning Zones (i.e. continued from existing PPG5).
- (d) **The vitality of town centres**, consumer choice and retail diversity are promoted; there is no "needs test" for proposals but the sequential test, requiring developers to seek the most central town centre sites first, is retained and a tougher "impact test" is introduced to assess proposals against economic, social and environmental criteria for new developments and expansion of existing ones (i.e. amending existing PPS6).
- (e) **Sustainable economic growth** in rural areas is to be provided for - so long as it is in keeping with the need to protect the countryside (responding to a key recommendation from Matthew Taylor MP's review of rural housing and economy to amend existing PPS7).

2.3 Underpinning all of this policy content, the Draft PSS emphasises a requirement for an up to date evidence base. This requirement will apply both to developers wishing to invest and to regional and local authorities producing development plan policy documents and assessing specific proposals. In particular, the evidence that is highlighted as most important terms are economic assessments and infrastructure implementation plans, particularly those for transport.

3. Assessment

3.1 Overall, this Draft PPS is a considered and balanced policy document, looking to the long term - rather than a hasty reaction to the current recession. It promotes the idea that the economic success of both urban and rural communities is an essential prerequisite of social and environmental sustainability. At the same time the draft policies balance this with the need to sustain the social and environmental roles of places, particularly of town centres and of rural areas, that make them economically attractive. However, the Draft PPS needs to

recognise the limits of the planning system in trying to shape the fundamental direction of the market. (NB - The purpose of the system is to provide for society's development needs in a sustainable way.)

- 3.2 The exclusion of housing from the definition of economic development has been made purely for administrative convenience. This omission is bound to cause confusion at all levels of the planning process since housing development is often cited by developers as making the crucial difference between the economic viability or not of mixed development schemes. Moreover, housing (according to many commentators) lies at the root of our current economic recession. Similarly, the Draft PPS ignores the economic significance of the mineral and waste-to-energy production industries in the national and local economies. (For example, the cement industry based in Warwickshire accounts for a fifth of national cement production.) This rather traditional bureaucratic approach to the Draft PPS also tends to exclude broader or more innovative mixed uses characteristic of the media and creative industries.
- 3.3 The Draft PPS makes a distinction between regional and local factors but makes no mention of the sub-regional dimension which features strongly in the Government's own Sub National Review and in the partnership arrangements of this Council. More consideration should be given to the role of functional sub-regions as a basis for delivery of economic development over a larger areas than a single local authority.
- 3.4 There needs to be much stronger reference to local planning authorities' need to use Local Economic Assessments (LEAs) as part of the evidence base for their local development and also to assess whether applications meet economic need, levels of future demand, predicted/planned growth sectors, improving vitality and viability of town centres, etc.
- 3.5 The sustained emphasis on town centres as the focus of economic development is to be welcomed. However, the Draft PPS should recognise the need for local planning authorities to have access to the appropriate level of expertise in development economics to sustain that emphasis. This skills gap could be narrowed by making use of Local Economic Assessments and securing advice on development economics on a sub-regional basis.
- 3.6 Acknowledgement that there are no separate urban and rural economies is to be welcomed but the implications of this for rural areas should be further clarified. For example, relaxation of the policy on farm diversification/ re-use or replacement of buildings in the countryside will assist business creation. However, the proposal to inhibit the change of use of shops and services in villages to maintain accessibility and wider social benefits also has consequences for business where the current use is clearly not viable. In such circumstances, businesses in rural areas would be less able to respond to changing market conditions than their urban competitors.

4. Conclusions

- 4.1 The Draft PPS 4 - 'Planning for Prosperous Economies' is, overall, a considered and balanced policy document but one that would benefit from improvement in terms of the additional material identified in paragraphs 3.1 - 3.6 above.
- 4.2 In particular, the Draft PPS needs to give further thought to the definition of 'economic development'; emphasise the role of sub-regions as a basis for delivery of economic development; and make stronger reference to local planning authorities' need to use the new statutory Local Economic Assessments (LEAs) that upper tier authorities (inc. WCC) will soon have to produce.

PAUL GALLAND
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23 July 2009