



RTPI

mediation of space · making of place

Royal Town Planning Institute
41 Botolph Lane
London EC3R 8DL
Tel +44(0)20 7929 9494
Fax +44(0)20 7929 9490
Email online@rtpi.org.uk
Website: www.rtpi.org.uk
Registered Charity Number 262865
Patron HRH The Prince of Wales KG KT PC GCB

17 March 2008

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

Dear Ms Davis

RESPONSE TO CONSULTATION PAPER: DRAFT PPS 4 SUSTAINABLE ECONOMIC DEVELOPMENT

Thank you for the opportunity to respond to the above consultation. The RTPI is a membership organisation representing over 20,000 spatial planners. It exists to advance the science and art of town planning for the benefit of the public.

PPS 4 Sustainable Economic Development is clearly of great interest to members of the RTPI, whether they are development plan practitioners, development management practitioners, or consultants seeking to support economic development and spatial planning and to advance policy positions for their clients.

Many of the proposals in the consultation are broadly welcomed in our response, particularly the integration of economic development issues in the spatial planning system beyond the conventional 'business use classes' to consider other employment generating activities and the whole economy of an area. It is clearly necessary that the government's policy platform in respect of economic development issues in planning is seen as being as up-to-date and applicable as advice and guidance across other key planning subject matters. Many practitioners view the update of PPS4 as timely and as representing an important commitment by government to the proposition that economic development issues are weighty planning considerations.

Key issues arising from the draft for further consideration by CLG in our view are as follows:

- Members of the RTPI and its networks responding to our internal consultation felt that draft PPS 4 is very general. The document addresses some subject matters in a way that can be read as repetitive of advice and guidance in other PPS. To this extent it appears to have an over-arching function somewhat similar to that of PPS 1, which we question. On balance it appears better to retain a single over-arching and integrating PPS (PPS1) setting a framework to deliver sustainable development and into which all other PPS (including PPS 4) then fit.
- To provide more direct illustration of this point, RTPI members commenting on the draft felt that where specific uses already have an identifiable policy source in the PPS series, the inclusion of policy in PPS 4 on the same topic but at lower levels of resolution than in another PPS, could confuse rather than assist. Of particular relevance here is the inclusion of housing in the definition of economic development especially when PPS 3 Housing deals specifically with housing policy. Similarly, there is concern over the inclusion of town centre and retail matters otherwise addressed in PPS6. Whilst cross policy-sectoral integration is in principle 'a good thing', it remains unclear how the proposals in the draft PPS4 will fit together with those in PPS3 and current government thinking on housing provision, or soon to be revised PPS 6.


continued:>

- This is not to say that (for example) housing issues with a clear bearing on changes in economic trends and having the potential to drive significant new directions of economic growth should not be addressed. Paragraph 25 for example very usefully draws out the potential significance of information and communications technologies for the integration of residential and business uses (in terms both of live-work development and home working). The RTPI would emphasise that this is an area that is likely to drive profound change in coming years and the current planning policies and legislation will require a substantial re-evaluation to respond to. We remark further on these issues below.
- In addressing the drivers for economic change and the response of the planning system to these, draft PPS 4 responds to subject matters that are also addressed within the Review of Sub-national Economic Development and Regeneration (2007) (SNR). An additional consultation is expected very shortly on the implementation of this review, both in respect of regional planning policy preparation and the proposed statutory economic development duty for higher tier local authorities. The apparent lack of detailed reference between the drafting process for this PPS and the Review is a matter of concern on which we remark further below. There is a reasonably strong argument that the PPS 4 review should be brought into even clearer alignment with the SNR process.
- Draft PPS 4 is very positive towards proposals that deliver economic development objectives, but in some respects struggles to provide useful guidance and tests that will concretely assist decision makers to resolve the issues before them.

Please find enclosed your completed consultation form, to which we have annexed a short paper addressing key issues that did not emerge from the consultation questions.

I trust that this response assists CLG towards its final version of PPS4. If you require any further assistance, please contact Mr Phil Grant, Planning Policy Officer on 0207 929 9494 or email phil.grant@rtpi.org.uk.

Yours sincerely,



FOR RTPI PURPOSES ONLY

Phil Grant
Planning Policy Officer
Tel: 0207 929 9494
E-mail: phil.grant@rtpi.org.uk

RESPONSE TO CONSULTATION QUESTIONS

Name: Phil Grant

Organisation: The Royal Town Planning Institute

Address: 41 Botolph Lane, London EC3R 8DL

E-mail address: phil.grant@rtpi.org.uk

Please state whether you agree to your response being made public. Yes

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: The RTPI believes that the appropriate balance between the economic, social and environmental considerations bearing on any individual planning decision should be the responsibility of the decision maker, having regard to the facts of the case. Attempts to prejudge that balance are hard to embody in policy without leading to unlooked for consequences and should not be included in this draft. That is not to say that it is not legitimate to emphasise that economic development considerations are capable of being very weighty indeed: they can be and it is important that this is appreciated by readers of the guidance. PPS4, as with other subject specific policy statements should be clearly focussed on providing policy guidance on the matters concerning them, framed within the over arching principles set out PPS1 Delivering Sustainable Development. There is little benefit or worth in policy statements providing repetitious guidance that passes again over central or integrating issues that are (or ought to be) covered in PPS1.

PPS4 Sustainable Economic Development should make no apology in setting out guidance for delivering economic priorities. In doing so, and combined with other policy guidance documents, Local Planning Authorities (LPAs) will be equipped with the correct tools to achieve the right balance of considerations in accordance with local circumstances.

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: It is important to use economic evidence as a key input into plan making. Paragraph 20 (page 9) suggests LPAs should consider using sub regional housing assessments as the basis for assessing economic data. This approach may be supportable in proxy terms, as sub regional housing markets may also reflect labour, service or transport markets and hence provide a base of economic evidence and an area within which to harmonise evidence collection and analysis about broader topics. However, a critical 'check over the shoulder' should be advised for such an approach, as there may be circumstances in which evidence might demonstrate that a sub regional housing market does not form the natural base within which broader economic evidence should be collected or analysed.

A stronger emphasis on the need for evidence should not read across as a reducing emphasis on the plan led system, as could possibly be interpreted in Paragraphs 29 & 30 (page 12). An up to date and strong plan should account for the economic development issues and needs in a locality. The development plan is entitled to be implemented and the evidential soundness and cost/benefit analysis of plan policies based on evidence will already have been dealt with through the test of soundness. The PPS should not give undue encouragement to the view that a proponent should incur the costs of gathering a whole new evidence base, seeking to 'overturn' what is otherwise an up-to-date, sound and well evidenced plan. Clearly the same will not hold good where the plan is out of date or silent or significant new evidence is available. Innovation and economic development do not stop. Applicants and decision makers must be

aware of circumstances such as these where there should be opportunities to introduce new evidence to set against the plan. However, it may be that a test should be developed and included in the PPS to demonstrate when such an approach might be justified.

A clear distinction needs to be made between:

a) **when the plan falls silent**, regarding a particular type of development otherwise proffering benefits, where an evidence based approach at point of application should be welcomed. However, LPAs should then be advised to monitor the number of occurrences of such applications and consider the need to gather further new evidence of their own and amend their relevant plan documents accordingly.

b) **when the plan is out of date**, where again an evidence based approach at point of application should be welcomed, as long as the applicant can reasonably demonstrate that the plan genuinely is out of date in some significant respect. Demonstration may entail (for example) reference to appeal commentary by planning inspectors that has criticised relevant elements of the plan document in issue, or evidence that the applicant's proposal responds to a genuinely new economic driver that has arisen after the plan was adopted, or can be mitigated in ways that were not feasible or anticipated when the plan was adopted. Once again, LPAs should then be advised to monitor the number of occurrences of such applications and consider the need to gather further new evidence of their own and amend their relevant plan documents accordingly.

c) **when a proposal is a clear departure from the plan**, that is otherwise sound and up-to-date. Applicants may consider that there are weighty material considerations that outweigh plan policies and justify a departure and use evidence to demonstrate such a position. However, such circumstances should be reasonably rare and it should be made clear that penalties by way of (eg) costs applications can be levied where the pursuit of a proposal cannot be evidenced and hence is found to be unreasonable or lacking any planning merit.

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: This would be a welcomed approach, although any list should not be seen as exhaustive or prescriptive. The suggestion that LPAs should have to set out clear reasons for refusal on an evidence base (paragraph 33, page 13) was met with much concern by RTPI members. This could effectively be based on a classic cost/benefit analysis which evidence has shown is not suitable due to its purely quantitative criteria. Planning decisions need to be based on both quantitative and qualitative analysis.

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

Comment: Not in the view of the RTPI

- 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: Yes

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

Comment: The RTPI and its members believe that whilst it is prudent to collect data at all levels, an emphasis should be placed on collection at a sub regional level, our reasoning being as already highlighted in the response to Question 2 paragraph 1.

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: The RTPI believes the use of Simplified Planning Zones (SPZs) is a major strategic decision. Should SPZs have a significant future in the eyes of the government in supporting economic development, then it follows that free standing advice should be provided for LPAs rather than a brief passing reference in the new PPS4.

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: As remarked above, the methodology used to determine sub-regional housing markets has potential as proxy, but this should be subject to critical evaluation to ensure that the use of such a proxy does not result in the avoidance of clearly operating factors which suggest that economic markets operate in different spatial units.

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: No further comment necessary

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: No further comment necessary

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: The RTPI remarks below that processes of economic change and their effects on the use and development of land are becoming ever swifter and more complex. It follows that patterns of land allocation and policy supporting employment sites of a very particular kind, particularly where they anticipate employment types which are perhaps no longer in growth as dynamism within the economy has shifted into different sectors, must be ripe for review. Where there is evidence that allocated land is not being brought forward at a reasonable rate for employment development of the type anticipated in policy, but that land is nevertheless good, flexible, serviced or serviceable land for which a wide range of other urban uses might be appropriate, policy reviews should seek to release the land for other supportable purposes.

Care will of course be required to ensure that where land releases involve the transfer of land from say a former use that may have led to soil or groundwater contamination, action is prompted to assess and remediate what might otherwise pose a hazard to future sensitive uses such as housing, health care, school or outdoor recreational uses.

Finally, it should be remarked that in reviewing policies and allocations around employment sites, considerable encouragement could be provided to local planning authorities to consider the potential for virtuous mixes of uses, including the mixing of residential and business uses both within precincts and within individual planning units, through approaches such as live-work development.

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

Yes No

Comment: The RTPI welcome the proposals outlined for rural areas in particular:

Managing Development, Paragraph 13, (page 23): 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.

Managing Development, Paragraph 38, (page 27): 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.

Rural Proofing, Paragraph 54, (page 29): 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.

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: No comment

RESPONSE TO ADDITIONAL ISSUES

The RTPI response to consultation questions has highlighted additional issues raised by draft PPS 4 on which some remark is necessary, but in respect of which the questions do not fully draw out the key issues. These are:

- drivers for economic change and regeneration, including the intensifying pace of technological and organisational change; and
- the development of planning policies and other tools that assist our capacity to deliver smart and sustainable growth in response to these, whilst still providing much needed certainty and direction.

A critical issue facing planning in respect of economic development is to strike the correct balance between economic responsiveness, at a time when the pace of innovation, economic and technological change is becoming ever swifter and more complex, and the need for policies to provide certainty of direction, for example, to underpin investment in key infrastructures, or to safeguard critical environmental, social or cultural assets. These are issues that the government has already sought to address in its Review of Sub-national Economic Development and Regeneration (2007) (SNR).

The draft PPS calls generally for the development of 'flexible policies which are able to respond to economic change and the need for co-ordination with infrastructure and housing provision'. But it does not clearly state what shape this flexibility is likely to assume. Furthermore, in the context of SNR, where major changes to the shape and policy approach taken in regional planning policies are to be expected shortly, there would appear to be some virtue in using PPS 4 as a means to articulate the (particularly) local dimensions of this change, precisely by setting out in clearer terms what is entailed by such flexibility.

It appears to the RTPI that this flexibility should not entail a loss of vision within a plan or its policies, or the loss of the power with which regions, sub-regions or local communities legitimately seek to make or shape their places, or a loss of the weight which a duly adopted and up-to-date plan is entitled to be accorded in decision making. Rather, this flexibility in all likelihood entails a fundamental shift in approach in planning, from policies that seek to regulate (and separate) the locations of uses, to policies that seek to identify and manage the effects of uses: in short a movement towards a more impact based, or performance based means of drafting planning policy.

What is this likely to mean in practice? In the initial view of the RTPI the following issues are significant.

- In many existing urban areas, the pressure for changes to use may become swifter than our capacity to renew or change the built form. Environmental considerations such as the minimisation of waste to landfill or the retention of embodied carbon are likely to underpin this change.
- In some locations, with an existing built environment, we will increasingly turn to the more flexible re-use of buildings, with a view to greater economic opportunity and vibrancy, and the enhancement of townscape and the attractive qualities of place than to demolition and replacement, re-development or new development.
- Where this takes place, we will need planning policy frameworks that assess the impacts of quite different and divergent uses set next to one another, both within precincts and within single planning units.
- Where wholesale redevelopment or new development is taking place, processes such as master-planning and innovative building design are increasingly likely to support a much finer grain of divergent use and development types than has typically been the case for much of the 20th century, where these processes have tended to further segregate land uses. Again the emphasis will need to be on the making and shaping of positive and dynamic places.
- Moves to a finer grained mix of land uses are also likely to underpin other virtuous effects including a reduction in demand for transport services and energy demands associated with long range

commuting, necessitated by land use separation.

- It will become an increased task of planning to ensure that, for example, adequate residential amenity is maintained in a precinct in which for example there are also vibrant retail, leisure and a wide range of office and workshop uses. Issues around building design and the use of technologies and controls to minimise and mitigate emissions of all kinds will become more significant.
- Planning will need to monitor and consider the aggregate effects of a dynamic basket of different uses on the underpinning infrastructures: everything from water supply and waste water management, to road and public transport capacity, parking, education, health and social services. Contributions to augment infrastructure provision consequent on use changes, and different infrastructure design approaches to facilitate increased flexibility will become even more significant.
- New approaches to the use of individual premises that combine say residential and business use are likely to become increasingly common and should broadly be supported as small and knowledge based enterprises are significant drivers of economic innovation. Innovations such as live-work use and development currently exist at the margins of planning policy and development management (for example by way of not being provided for in the current Use Classes Order other than as a sui generis use and so experiencing significant difficulties in obtaining development or mortgage finance at competitive rates). It will be important for government to take on the task of responding to economically driven changes such as live-work, that also hold out the prospect of significant social and economic benefits. PPS 4 will be an important place from which to commence that process.
- Innovative approaches will be necessary to regenerate the legacy of 'use monoculture' developments left to us by the 20th century. Agendas such as mixed communities (in housing) and historic precinct management (in town centres) have already started to respond, developing a new mix of uses in historically segregated areas. However, ongoing challenges with associated economic development opportunities are likely to include such as the diversification of single use shopping centres or trading estates.
- More broadly and clearly in the medium term, the RTPI suggests that these drivers should also lead to a re-evaluation of land use regulation, as currently framed in the Use Classes Order.
- Similarly, there is a strong case to review the Standard Industrial Classification (SIC) to provide an up-to-date and flexible categorisation of economic activities across the whole economy to enable the necessary evidence bases for economic development and spatial planning to analyse the changing components and structures of regional, subregional and local economies

There will of course always be exceptions to this approach that warrant resolution through more traditional land use separation policies, which the PPS should recognise. Use Classes B3 to B7 in the existing Use Classes Order (the Special Industrial Groups) contain uses which, if ongoing, it would be rather hard to envisage being soundly managed with the intrusion of noise or emissions sensitive or residential uses.

Turning finally again to questions of greater alignment between PPS 4 and SNR, the RTPI is currently developing a draft position paper in response to SNR, pending the emergence of the anticipated consultation paper from government. This position paper will address many of the issues raised here in greater detail. The RTPI would be happy to meet with officials to discuss our emerging position.