

## **REPORT TO PORTFOLIO HOLDERS FOR ENVIRONMENT AND SUSTAINABILITY, AND WASTE AND ECONOMY.**

### **CONSULTATION ON DRAFT PLANNING POLICY STATEMENT (PPS) 4: PLANNING FOR SUSTAINABLE ECONOMIC DEVELOPMENT**

#### **Responsible Officer**

e-mail: [andrew.williamson@shropshire.gov.uk](mailto:andrew.williamson@shropshire.gov.uk) Tel: (01743) 252501 Fax (01743) 252505  
v.uk

#### **Summary**

This report deals with a consultation by CLG on draft Planning Policy Statement 4: Planning for Sustainable Economic Development.

#### **Recommendations**

- A. That this report is used as the basis of a response to CLG by the Corporate Director, Economy and Strategy.

#### **Introduction**

1. The final version of draft Planning Policy Statement 4 will replace Planning Policy Guidance Note 4: Industrial and Commercial Development and Small Firms published in 1992. This draft is an overdue revision of PPG 4, which is one of the oldest planning guidance notes, and sets out the broad policy framework relevant to delivering sustainable economic development at the regional, sub regional and local level.

#### **Draft PPS4 – The Government’s proposals**

2. The statement sets out the government’s objectives to identify a range of sites to cater for a broad range of business types, provide a good supply of land, and deliver high quality and attractive developments.
3. The draft encourages planning policies to be flexible enough to be able to respond to the challenges brought with globalisation and technological advances. Local planning authorities should try to minimise the need for revision of development plans, due to changing economic circumstances, by ensuring plans are based on a wide evidence base. In producing a wide evidence base, local planning authorities should:
  - Thoroughly assess land supply; 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 .These reviews should be undertaken jointly across local authorities, where appropriate.
- Have a flexible approach to the supply and use of land as there is a limit to the extent local authorities can predict changes to the local economy.
  - Use a range of evidence to assess the best use of land, taking into account price differentials between land allocated for different uses.
  - Ensure that strategies account for local and regional character and the particular needs of rural areas.
  - Take account of relevant market information and changing spatial working patterns, such as the use of residential properties for home working.
  - Take into account different locational requirements such as size of site and site quality.
  - Maintain an up-to-date assessment of the demand for employment land and, where possible, identify and plan for emerging sectors.
4. Regional planning bodies and local planning authorities should work jointly at a sub-regional level to reflect economic markets. The draft highlights housing market assessments as an example of potential joint working on economic data.
5. Local planning authorities should set criteria based policies and identify a broad range of sites for a broad range of employment uses, limiting sites for single, restricted use and promoting mixed-use developments. Local planning authorities should also safeguard land from other uses. In line with other Government policies, the draft also encourages the re-use of dis-used or derelict land and buildings. Any re-use should contribute positively to regeneration and preserve historic assets.
6. The draft advocates the change of use of land allocated for economic development where there is no prospect of it being used for that purpose during the plan period. If there is no prospect of land being used for economic development, wider employment uses or alternative uses, such as housing, should be considered.
7. The draft outlines how a high quality environment is a key factor in attracting and retaining businesses. Local planning authorities should ensure development is durable and sustainable, and delivers attractive and healthy working environments through the provision of open space, landscaping, pedestrian and cycle access, and health care, shopping and leisure facilities, where appropriate.
8. The draft also suggests:
- Benefits can be drawn from locating certain types of business within proximity to each and other services and this should be encouraged.
  - Local planning authorities should separate certain types of industry or infrastructure (those that are potentially a source of pollution, hazardous or detrimental to amenity) from sensitive land uses.
  - Strategies should cater for different types of business from small start-up businesses to medium and large enterprises and positively plan for benefits where businesses can locate together.

- Local planning authorities should ensure that appropriate new sites are allocated and assess the continued viability of existing sites; site allocation documents should not simply bring forward existing allocations, particularly if they are for single use.
- Development should be avoided that has an adverse effect on climate change or, where unavoidable, it should mitigate these effects.
- Local planning authorities should develop maximum standards for car parking in non-residential development at the local level.
- Local planning authorities should identify, protect and promote key distribution networks and locate substantial freight businesses so as to minimise carbon emissions.
- Office development should be located in or on the edge of town centres. Local circumstances and wider benefits should be taken into account for smaller scale office development.
- Local planning authorities should develop policies in conjunction with higher and further education sectors and other stakeholders to assist businesses, particularly knowledge based and high-technology industries.
- Local planning authorities should use an 'evidence-based' approach to proposals which are not specifically supported by plan policies.

## Comments

9. Whilst delivering further ideas of sustainable development, the draft is not a radical departure from PPG4. The main impact on local authorities is the need to produce an enhanced evidence base in plan preparation. The need to produce a wide ranging evidence base is welcomed as it will lead to an improved awareness of up-to-date business needs. For this reason the PPS should be supported, as it supports the economic priorities of Shropshire.
10. The prominence given to joint working at the sub-regional level in the production of the evidence base is also supported. The draft recognises that economic markets are not constrained by local authority boundaries and that joint working can help to ensure that sub-regional issues are reflected more accurately. Joint working on the evidence base also needs to be linked with the Sub-Regional and Regional Economic Assessments, as requested by the Review of Sub-national Economic Development and Regeneration. The draft has positive implications for progressive joint working across Shropshire although there are wider practical issues that the draft does not consider; the final version should clarify how joint working will deliver a consistent approach towards this type of data collection, how economic market areas are designated, and how and if cross authority partnerships should be formalised.
11. The statement should be read in conjunction with *PPS 7: Sustainable Development in Rural Areas* and as such it is not expected to cover the particular geographical characteristics of rural areas in great depth. However, the draft highlights that whilst accessibility by non-car modes remains an important consideration, local planning authorities may have to recognise that a site is an acceptable location for development even though it may not be readily accessible by public transport. In the final version it should be acknowledged that a careful balance has to be struck between economic

development needs and the preservation of the character and quality of the countryside.

12. The need for the delivery of a range of quality and size of sites is supported. It is important that small and medium sized businesses are supported in Shropshire and that we are able to deliver a supply of the right land to meet their needs. However, quantifying the right level of supply in rural areas is difficult as past rates of development are not always a reliable indicator for future economic development.
13. The draft's promotion of mixed uses on employment sites is also welcomed. However, strategies will have to take into account the viability of sites for mixed use development. Certain sites, particularly in market towns, will only be appropriate for single uses due to their size and location. It is vital that strategies ensure the continued economic viability and sustainability of all types of site throughout Shropshire.
14. The draft's aim that local authorities should re-allocate sites that have been allocated for economic development when a site is no longer viable for that use is supported. However, assessing when sites allocated for economic development are not viable or not needed is a difficult process and the final version of the PPS should provide a clear rationale for achieving this aim.
15. The draft encourages a positive, 'evidence-based' approach to proposals that do not have specific plan support (para 29). A flexible, positive approach that recognises potential change to local economies or technology is welcomed. However, care will be needed when interpreting the guidance to ensure that decisions based on prevailing 'relevant' economic, social and environmental information do not lead to unsustainable development and an inconsistent approach to economic development.
16. The draft recognises economic development can play a role in meeting the challenges posed by climate change through a low carbon approach. Climate change has been covered in the recent supplement to PPS 1, but the final version could include further recognition of the role of economic development in combating climate change. Currently, the main link is drawn between design and climate change under the policy 'Securing a high quality and sustainable environment'. Given the PPS support for more flexible locations for employment, it is vital that the published version emphasises that this should not compromise efforts to reduce climate change, nor should it be at the expense of wider sustainable development objectives. The final version could also make clearer reference towards the promotion of technologies aimed at meeting the challenges posed by climate change.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Planning Policy Guidance Note 4 (PPG 4): Industrial and Commercial Development and Small Firms

Draft Planning Policy Statement 4 (PPS 4): Planning for Sustainable Economic Development

**Human Rights Act Appraisal**

The recommendations contained in this reply are compatible with the provisions of the Human Rights Act 1998

**Environmental Appraisal**

Covered in the report.

**Risk Management Appraisal**

N/A

**Community / Consultations Appraisal**

This is a national consultation by CLG, all relevant organisations have been consulted

**Cabinet Members**

John Everall and John Hurst-Knight

**Local Member**

All

**Appendices**

None.