



PPS4 – New Government *Planning Policy* for Town Centres

The Government has published the long-awaited replacement for both PPS6 and PPG4, setting out new policy for planning for town centres, retail, commercial and industrial development in England. Thus, the policy is relevant to a very wide range of land uses including all those within Use Classes A, B and D (town centre uses, business and industry, and leisure) only residential and certain sui generis (unclassified) uses are not affected.

The **over-riding objective of the new policy is encouraging 'sustainable economic growth'**. This should be no surprise given present economic circumstances, and as all the political parties begin to set out their manifestos for a general election campaign later in the year.

Ancillary objectives include improving the economic performance of both urban and rural areas, reducing inequality between the regions, delivering sustainable patterns of development, and protecting town centres whilst maintaining competition and choice for consumers.

In this briefing we highlight the main changes, and comment on their implications for town centre uses, and retail planning.

Overview & Policy Changes

In launching the new PPS4 John Healey Minister for Housing and Planning said "By strengthening the hand of local Councils we are giving them the expert tools they need to put the vitality and viability of town centres first in difficult market conditions. The new tools go further than ever before to protect town centres from the harm large out-of-town developments can have."

The PPS is the first of a promised 'new style' of central Government planning policy documents, in that it is significantly shorter and more direct than corresponding policy documents for other topics. Notably, the document contains discrete policies, and local authorities are expected to deviate from the wording of these in their development plans only if local circumstances dictate. In this way the Government hopes to make the planning system more user-friendly, quicker, more transparent and more consistent in terms of decision taking.

The document reinforces a plan-led planning system, and as a consequence stresses the importance of plans being founded upon a robust, and credible evidence base. Undoubtedly this places an increasing burden on local authorities.

The Government has decided to retain the main policy changes proposed in the May 2009 draft. The highlights are the abolition of the 'need' test for retail applicants, coupled with an expanded impact test. The methodology for the sequential approach is essentially unchanged; however the weight to be attached to the result is significantly altered.

In order to assist those involved in preparing these assessments the PPS is accompanied by a guide to good practice (originally promised in 2005 following the publication of PPS6).

No comment is made in respect of the proposed 'competition test' for grocery retailers. It remains unclear if, or when such a test might be introduced. Further public consultation is likely prior to such an event.

Need

There is no longer a requirement for applicants for retail, and certain other forms of development to demonstrate a need for their proposal. Typically, this has been via a quantitative examination of actual and potential surplus expenditure within a defined catchment, relative to the anticipated turnover of a development. Qualitative considerations were also relevant though ancillary.

An assessment of need within regional and local authority areas is still required, however the PPS makes it clear that this should be undertaken by authorities when assembling the evidence base for their planning policies, and maintained at regular intervals. Quantitative and qualitative needs are now given equal priority.

At the regional level Policy EC3 indicates that any hierarchy of centres set out in the development plan should be “resilient to economic change”. This suggests that changes in the hierarchy should only be brought about by policy and not via approval of schemes contrary to policy – such schemes would have to be promoted via change to the development plan itself.

Matters of regeneration and job creation are confirmed as not being indicators of need, rather material considerations to be taken into account once the overall scope of need has been assessed. Thus, such might be utilised to choose between one site allocation versus another. As with PPS6 sites in deprived areas should be prioritised. If necessary local authorities are also invited to prioritise the sequence of development of allocated sites via development plan policies.



Impact

Partly as a consequence of the change in respect of need, the impact test has been revised. The version included within PPS4 is somewhat different to earlier draft versions, in that it is split between two separate policies:

Policy EC10 sets out criteria for the assessment of all applications for economic development, whatever their location. These include: carbon dioxide emissions; accessibility; design and integration; regeneration (both physical and economic); and, job creation. Together these are essentially the indicators of ‘sustainable economic growth’. Where the overall balance is positive, the PPS encourages the approval of applications.



Policy EC16 contains more specific criteria for assessing town centre uses including the impact on town centre vitality and viability, and impact on investment. These only apply to proposals on the edge of, outside a defined centre or sites not allocated in a development plan. The established test of scale is now included as an impact consideration for those proposals within or on the edge of a centre i.e. whether a proposal is consistent with the hierarchy of centres within the development plan.

Failure against any one of the criteria within the two policies could result in refusal of planning permission, notwithstanding performance against all the other criteria.

As with PPS6 a threshold of 2,500sq.m. is included to confirm when impact testing is necessary, albeit PPS4 indicates that schemes below this threshold may also require assessment. Local authorities are invited to set their own thresholds via the development plan.

In Annex D of the document a list is provided of matters to consider when examining a centre’s vitality and viability. A criterion has been added to the list previously provided in PPS6, namely land values and the length of time sites have remained undeveloped (criteria A8).

Sequential Approach

No significant change is proposed to the mechanics of this aspect of policy, established in 1996. Policy EC15 of the PPS continues to require those promoting development in edge or out of centre locations to demonstrate flexibility in considering sites in more central locations. Matters to consider include the scale of development, format and configuration, car parking, and the scope for disaggregation.

It is still possible to argue that an individual operator's business model does not enable units to be provided below a certain size, or via certain configuration etc., and the PPS confirms that local authorities should be realistic in assessing the availability, suitability and viability of sites.

What has changed from the 2005 version of PPS6 is the weight to be attached to the outcome of the sequential approach. Previously, the policy was that "... as a general rule" development should satisfy all of the tests – including the sequential approach. PPS4 policy EC17 invites local authorities to refuse applications that fail the sequential approach, whatever the overall merits of a scheme.

Good Practice Guidance

As the name implies the guide has been produced to assist practitioners in the application of PPS4, principally retail issues, both for development plan formulation and development control. It is not intended as a statement of policy, however can be a material consideration in the determination of planning applications. In respect of the latter the document promotes the importance of pre-application discussion.

The document includes a glossary of terms, with definitions for various important retail planning terms such as net retail sales area.

The guide addresses non-retail uses to which PPS4 also applies. These include commercial leisure, offices and cultural uses. The document points out assessments of quantitative need for such uses are often based on crude methodology, and qualitative considerations are like to be just as important.

Commentary

The final form of PPS4 is more coherent than earlier drafts. For a policy document attempting to address such a wide range of land uses inevitably there is much detail; however the new-style condensed format of PPS4 is, on the face of it, a succinct and workable policy tool.

The removal of the requirement for retail applicants to demonstrate need is no surprise, although in reality such will still be necessary particularly for disputed schemes proposed in the explicit absence of allocations (through lack of need) in development plans. Nevertheless, in the first instance the burden of need will fall upon regional and local authorities, and thus the importance of an up-to-date and reliable evidence base can not be overstated.



The main outcome of the revised impact test will be to consolidate in to a single application document a wide range of material considerations that were already, to some degree or other, established issues within planning decision taking. That said, the PPS does appear to give more weight to those considerations set out in Policy EC10. Of significant importance is the policy that failure in respect of any one impact criteria could justify refusal. This suggests that some otherwise acceptable schemes could be refused without the positive, and balanced decision taking that the PPS implores,

The most significant change for retail planning is the weight now to be attached to the outcome of the sequential approach. Some will welcome policy EC17 as an invitation to refuse 'on principle' any proposal that fails the sequential approach. In our view this sits at odds with the remainder of the policy's (positive) objectives, though it is evidently the Government's intention as confirmed by paragraph 5.6 of the Good Practice Guidance.



Real value in a changing world

Bruce Hartley-Raven

Director and Head of Retail Planning

25 Bank Street
London E14 5EG

+ 44 (0)20 3147 1139
bruce.hartley-raven@eu.jll.com

www.joneslanglasalle.co.uk/planning

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