



## **DRAFT PORTFOLIO HOLDER DECISION NOTICE**

### **PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR PLANNING AND TRANSPORT**

### **TOPIC – DRAFT PLANNING POLICY GUIDANCE NOTE 4: PLANNING FOR SUSTAINABLE ECONOMIC DEVELOPMENT**

#### **PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Monday 25 February 2008.**

#### **Contact Officers:**

**Case Officer:** Joan Ashton, Tel: 01962 848 442, Email: [jashton@winchester.gov.uk](mailto:jashton@winchester.gov.uk)

#### **Committee Administrator:**

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#### **SUMMARY**

The Government has recently issued draft new planning guidance on economic development for consultation until 17<sup>th</sup> March 2008. The draft guidance is entitled Planning Policy Statement 4 (PPS4): 'Planning for Sustainable Economic Development'. When adopted, this will replace the existing guidance: Planning Policy Guidance 4 (PPG4): 'Industrial, Commercial Development and Small Firms'.

Draft PPS4 was proposed following the Barker Review of Planning (2006), which considered that planning authorities did not take sufficient account of the needs of business. The retention of old employment site designations, when they could be released for other forms of development – especially housing, was a particular concern. The draft guidance has this ethos very much in mind. Additionally, it was considered appropriate that PPG4 should be updated, as it was published in 1992, to reflect changes in policy that have occurred since that time, such as in relation to sustainable development. Key themes of the proposed new guidance are flexibility and the use of market signals and the preparation of a firm evidence base for planning decisions.

The main points of draft PPS4 are as follows:

- Housing is included in the list of activities defined as 'economic development' as is telecommunications development and transport uses related to freight terminals.
- Authorities should undertake employment land reviews
- Flexibility – authorities should identify a variety of sites to cater for a range of employment uses and business types, from small start-up businesses to larger commercial and industrial users. Land assembly may be required.
- The designation of sites for single or restricted uses classes should be limited.
- Where there is no reasonable prospect of a site being used for economic development, wider employment uses or alternative uses 'such as housing' should be actively considered.
- Make the most efficient and effective use of land and buildings. Prioritise the use of previously developed land. Encourage new uses for vacant or derelict buildings, particularly historic buildings or buildings in rural areas.
- Account should be taken of the price differentials between land allocated to different use classes, when deciding on the most productive use of land.
- Car parking standards to be maximum standards and set at the local level
- Local planning authorities should ensure that development is durable and sustainable and delivers attractive and healthy working environments. This will assist in attracting business and potential employees to an area.
- Environmentally sensitive locations should be safeguarded from telecommunications development. Mast and site-sharing should be encouraged.
- Full consideration should be given to the economic aspects of proposals alongside social and environmental aspects. Proposals should be considered favourably unless the economic and/or environmental costs of development are likely to outweigh the benefits. Authorities should take into account the longer term benefits of proposals – such as job creation or improved productivity and wider benefits to national, regional or local economies.
- Authorities should support farm diversification schemes that help sustain agricultural enterprise and are consistent in scale with their rural location and environmental impact. Sites may be acceptable even though they may not be readily accessible by public transport. Small-scale economic development should be supported where it is the most sustainable option in villages that have poor transport links with local service centres.

### **OFFICER COMMENTS**

The need to review employment designations through employment land reviews and the greater use of evidence in economic planning reflects the approach being taken by the City Council. It is considered however, that the draft guidance note fails to recognise the role of planning in achieving a balance between economic, environmental and social factors.

One particular area of concern is the treatment of housing as 'economic development'. Housing itself is not an economic activity, but forms part of the socio-economic infrastructure of an area. It may be possible to release some sites for housing development; however this should be achieved via the employment land review and monitoring of developments. In areas where there is very high demand for housing, it can be difficult to achieve any other uses on sites and this guidance is likely to undermine policies to retain existing employment sites. This is even more so when account is taken of the advice to take account of price differentials which, in this area, will almost always favour housing or retail uses over 'traditional' employment use.

The Government has provided a questionnaire which forms the basis for consultation feedback. The officers' recommended response is appended and raises the concerns referred to above and other more minor points. The response consists of the completed questionnaire, expanded upon where necessary, and is attached as Appendix One of this Decision Notice.

Draft PPS4 is particularly relevant to the Economic Prosperity strand of the Council's Corporate Strategy: there is also some relevance to the High Quality Environment.

### **PROPOSED DECISION**

That the comments set out in Appendix 1 be approved and forwarded to the Department of Communities and Local Government as the formal comments of the City Council on proposed PPS4: 'Planning for Sustainable Economic Development'

### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The Government's proposed PPS4 on 'Planning for Sustainable Economic Development' raises some issues of concern for this Council, which is it considered important to raise with the DCLG as part of the government's consultation process.

### **DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None

### **DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

N/A

### **RESOURCE IMPLICATIONS**

None directly. However, land reviews tend to involve the employment of specialist consultants. The increased reliance on market information in development control may also require the occasional use of specialist advice.

**Approved by: (signature)**

**Date of Decision**

**Councillor Keith Wood – Portfolio Holder for Planning and Transport**

## APPENDIX ONE: RESPONSE TO DCLG CONSULTATION ON PPS4 Planning for Sustainable Economic Development

### Consultation Paper on a new Planning Policy Statement 4 | Part 4: 32 Consultation Questions

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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?**

No

*Comment:* The draft PPS does not seem to recognise the role of planning in achieving a balance of economic, environmental and social considerations. This was present in PPG4. Sustainable development is about achieving such a balance, as outlined in PPS1. Draft PPS4 would appear to be a departure from this and does not appear to give adequate weight to valid environmental considerations.

**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

*Comment:* There is a need for more technical guidance on the role of the evidence in plan making and decision making. The extent to which applicants should provide supporting evidence is not specified. Clearer guidance is needed on the level and type of evidence which applicants should be expected to provide, particularly when proposals are not in accordance with an up-to-date development plan.

**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:* agreed.

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

*Comment:* surveys of businesses and their requirements should be included. Data should be matched with LAA indicators data. This will also ensure that relevant local issues are considered.

— 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:* sub regional data is useful for the identification of trends across an economic market area. Local data will still be required to provide information on more specific areas (eg individual towns or pockets of deprivation) and for employment land surveys. The data should also be readily available to developers.

**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

*Comment:* Simplified Planning Zones have been quite complex and onerous to implement. If their future use is now being promoted, greater guidance is required.

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

No

*Comment:* Housing markets and economic markets are not always concurrent and work undertaken in this District for housing and economic markets demonstrates this. Where local economic information is available, for example information which covers the PUSH sub region, this should be used to assess economic markets for a more accurate picture.

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

No

*Comment:* The approach proposed appears too relaxed to achieve sustainable development and needs to be clearer about the weight to be given to market demands, where there are conflicts with the sequential test. In addition, stronger advice may be needed to secure small scale office development in areas of high demand for housing

**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

*Comment:* It is not clear whether these should be set at local or sub-regional level, particularly given the concerns outlined in paragraph 41 of Part 3. Important supporting information on the rationale and implications of the parking approach are contained within Part 3 of the consultation document, some of this information would be useful within the guidance itself.

**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?**

No

*Comment:* In general, this would be the case, but the key should be regular employment land reviews and monitoring. There may be reasons why a site should be retained for longer than the plan period, especially if there are identified long-term needs or if it would be difficult to find other suitable sites for the future. If authorities have adequate evidence to justify retaining long-term sites then this should be supported.

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

No

*Comment:* .It is not clear whether a change is being proposed to the guidance in PPS7, except that there is obviously a more flexible approach to accessibility in the countryside. The guidance should make it clear that this flexible approach is only

intended for small enterprises in order to avoid larger commercial enterprises in 'unsustainable' locations being allowed. PPS7 refers to the need to protect the countryside from unsuitable development; this should still be the case, even whilst allowing for more development. It is not clear, in the event of a conflict between the protection of the countryside and the needs of businesses in rural areas, which should take precedent.

**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.**

No

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Winchester City Council also wishes to make the following comments in response to the consultation on draft PPS4:

- The guidance needs to recognise that it may be necessary to restrict the use of land in the interests of achieving an appropriate balance of land uses. This is entirely in accordance with the principles of sustainable development and is likely to arise from the evidence base. . It may, for example, be important to allocate or retain land for particular Use Classes so as to meet the needs of specific types of uses. If the evidence suggests such an approach, then the guidance should support this.
- Housing should not be treated as a form of economic development. Although people are employed in the development and construction industries, housing in itself is the end product and forms part of the socio-economic infrastructure of an area. Implementation of this guidance will make it impossible to retain existing employment sites, even where evidence shows a clear need to do so in the interests of the local economy.
- The release of sites for housing, if appropriate, should be as a result of employment land reviews and the monitoring of developments.
- In areas where there is very high demand for housing, it can be difficult to achieve any other uses on sites, due to price differentials. Restricting the land uses allowed on sites is a useful tool to gain leverage for lower value employment sites in this context and the guidance does not provide any support for this form of pro-active planning.
- Adequate telecommunications networks are important to facilitate economic development. However, telecommunications networks in themselves form part of the supporting infrastructure for the economy rather than an economic activity in their own right. The advice on telecoms in draft PPS4 repeats much of the advice within telecommunications note PPG8. It seems to serve no useful purpose to include that advice within this note on economic development and repeal the generic telecommunications note PPG8 which is more widely applicable, as draft PPS4 proposes. This is particularly so as draft PPS4 proposes to retain the hefty Annex which contains most of the detail regarding telecommunications developments. It is not clear where the Annex would fit if PPG8 is cancelled.

Other more minor points raised in the draft PPS4 are as follows:

- The guidance requires editing. Some useful elaboration of points in PPS4 and rationale is included in the Part 3 Partial Impact Assessment, when it would be useful within the document itself. On the other hand, there is repetition between some of the sections in relation to car parking standards, rural areas, advice on telecoms and other areas, which could be avoided.
- More guidance on the 'up to date assessment' of demand for employment land referred to in paragraph 23 would be useful. How often should this be carried out (yearly as part of monitoring)? This could form part of the guidance on the use of economic data in Annex 1.
- It is not clear what is meant by 'larger' office developments.
- Small scale office developments are unlikely to occur in this District due to the high demand for housing, unless there is more positive guidance.
- Paragraph 24 – what are 'appropriate locations' for mixed use developments?
- More guidance on the spatial implications of home-working and live-work developments would be useful. Housing developers should take account of the growing trend towards home working and provide appropriate space in the home, and telecommunications links. This will help to meet sustainability aims, as set out locally by the MATISSE project:

[http://www.ehampshire.org/matisse\\_smarter\\_working/s-69.html](http://www.ehampshire.org/matisse_smarter_working/s-69.html)

- The section on Development Control should allow the protection of employment land, where evidence supports its retention.