

## PPS4: Planning for Sustainable Economic Growth

### Introduction

PPS4 is finally here. It has been one year and five months in production, went through two separate consultation exercises and has swept up four-and-a-bit other planning policy statements along the way. *PPS4: Planning for Sustainable Economic Growth* eventually emerged from the Whitehall bunkers in that limbo period of the year, 29th December, thus (just) fulfilling the Government's promise to publish by the end of 2009.

So was it worth the wait? What makes this PPS different from its main predecessor, PPS6? And what do we need to know about it?

The new PPS4 brings together in one statement all national planning policy on town centres, retailing and economic development. Accompanying PPS4 is a good practice guide, *Planning for Town Centres*.



PPS4's overarching objective is to encourage sustainable economic growth. This will be achieved through improving the economic performance of regions, towns and local areas and promoting sustainable patterns of development, which also reduce disparities in growth rates between regions and between towns and rural areas. New economic growth will be focused in existing centres, local distinctiveness recognised and protected, and more competition and consumer choice encouraged.

### The key messages of PPS4

- A presumption in favour of proposals for sustainable economic development
- A more joined up approach to planning, not only with the combining of these policy documents but with cross-references to heritage, energy and sustainability advice
- Greater scope for the protection of local shops, retail diversity, rural services and facilities
- Recognition of retail as economic development alongside commercial uses
- Promotion of the rural economy and a drive toward equal growth across the regions and across urban and rural areas
- Emphasis on plan making related to a proper evidence base
- Greater emphasis on real consumer choice and competition

### The retail detail

The main retail changes in PPS4 relate to the treatment of retail need and capacity. At the strategic level it is no longer considered appropriate to assess convenience retail need. This should be done at the local development framework level only. Comparison retail need, leisure need and office needs are the main elements of economic development to be considered at a strategic or regional level. However, 'employment land' is not included in this.

The need test for the determination of applications for retail development has been dropped but greater emphasis is placed on retail impact and the sequential test is strongly re-affirmed.

Local authorities are invited, through the Local Development Framework (LDF) process, to set local thresholds for the scale of applications that will require impact assessment. There will be greater protection for local retail provision and facilities, particularly in rural areas. In the absence of locally set thresholds, PPS4 sets the threshold of 2,500 sq m gross - as previously stated in PPS6.



There is more emphasis on competition and consumer choice though no actual competition test has been introduced.

### What is the significance of the new PPS4?

Does the new PPS represent new policy? And what implications does this have for developers and their advisers?

The presumption in favour of proposals for sustainable economic development is certainly useful but it is hardly new, and goes no further than the earlier similar presumption, which was subsequently undermined by the introduction of need and sequential tests for retail and residential development.

The guidance reinforces the role of the town centre as location of choice for all economic development. It does this by strengthening the sequential approach and making more explicit the importance of following this for all such development, including offices.

### Retail significance

The headline significance of the new PPS4, however, is really in its retail provisions. As expected, it does away with the need test for planning applications but strengthens the impact tests. It allows for the introduction of policies relating to local distinctiveness and restates the sequential approach. It also encourages greater protection of local shops and facilities and places greater emphasis on the identification of areas of deprivation, which do not have good access to day to day facilities and places greater emphasis on consumer choice and competition. With a nod to the recent Kirby decision it is noted, however, that regeneration and employment generation are not part of the retail need argument. They should not be taken into account in planning for retail development in need assessments for the development plan process.

While views of interested parties will differ on the implications of these retail provisions, our view at DPP is that the changes are likely to benefit the interests of small independent traders. The big chains will find it more difficult to get past committed local councillors to secure consent for small format retailing in local centres and rural areas.

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A general point worth making relates to the number of errors we have already discovered in this guidance. Notably, Annex A notes that the new PPS4 cancels provisions in PPS7 relating to major developed sites in Areas of Outstanding Natural Beauty (AONBs) but DCLG has now confirmed that this is not the case.

### Will PPS4 promote economic growth?

In general terms PPS4 does appear to be politically influenced, stealing the clothes of an incoming Conservative administration by playing on conservative themes of protecting small shops and local diversity and encouraging rural economic development while protecting the rural environment.

We do not believe PPS4 will make a substantial contribution to encouraging greater economic development but it may give smaller businesses some confidence in the future and this may encourage them to invest and develop further. For the big retailers there is no positive news and it will get harder for them to convince people that they are the right means to meet the needs of shoppers locally.

### Where DPP can help

PPS4 may be a consolidation of policy relating to economic development and town centres but it certainly doesn't simplify the process of getting planning consent. Developers will be well advised to make representations to the LDF process as new limits and thresholds are set for retail development. They will also wish to influence assessments of need and capacity that are now set only at strategic level. Impact assessments will become more complex.

At DPP we can help you through all this, using our considerable experience and commercial acumen. We are good at understanding complexity, identifying problems and setting about the business of resolving them.

For more information and background to these changes, please speak to your usual DPP contact or call Mark Dodds:

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