

**PPS4 Planning  
for Sustainable  
Economic  
Growth**

**DLP BRIEFING NOTE 13**

Prepared by  
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At the very end of 2009, the Government published the long-awaited Planning Policy Statement 4 (PPS4) which supersedes PPG4 'Industrial, Commercial Development and Small Firms', PPG5 'Simplified Planning Zones', and PPS6 'Planning for Town Centres'.

PPS 4 sets out the Government's national planning policies for economic development, which are a material consideration and which must be taken into account in formulating development plans and in development decisions.

For the purposes of its policy approach the PPS cites economic development as including:

- Development within the B Use Classes (B1, B2 and B8), such as light industrial, manufacturing, storage and distribution;
- Public and community uses; and
- Main town centre uses such as: retail development (including factory outlet centres and warehouse clubs); leisure, entertainment facilities, and the more intensive sport/recreation uses (including cinemas, restaurants, bars/pubs, casinos, bingo halls, health and fitness centres); offices; and arts, culture and tourism development (including theatres, museums, galleries, hotels, conference facilities).

Annex B to the PPS defines all types of 'centre' from city centres to local centres and also types of location, such as 'primary shopping area' and 'out-of-centre'.

The policies also apply to other development which achieves at least one of the following objectives:

- Provides employment opportunities;
- Generates wealth; or
- Produces or generates an economic output/product.

The PPS makes it clear that its policies apply to both urban and rural areas and divides these into 'Plan Making' and 'Development Management' policies.

The Government's overarching objective throughout is sustainable economic growth, which it defines as "Growth that can be sustained and is within environmental limits, but also enhances environmental and social welfare and avoids greater extremes in future economic cycles".

The **plan making policies** within the PPS highlight the importance of regional and local planning authorities having up-to-date and robust evidence bases in order to understand both existing business needs and likely changes in the market. For example, the PPS makes it clear that, as has happened previously, existing employment site allocations should not be carried forward from one version of a development plan to the next without evidence of the need and reasonable prospect of their take up during the plan period. Further, if there is no reasonable prospect of a site being used for its allotted economic use, the allocation should not be retained, and wider economic or alternative uses should be considered.

In terms of determining planning applications for economic development, LPAs are urged to adopt a positive and constructive approach and such applications should be assessed against a number of impact considerations, such as the impact on local employment and the economic and physical regeneration of the area. Interestingly, the PPS includes a policy that specifically relates to applications that are not in accordance with an up to date development plan. In such circumstances, LPAs should weigh market and other economic information alongside environmental and social information, and take account of any longer term benefits.

As part of their economic vision for their areas regional and local planning authorities are required to set out strategies for the management and growth of centres over the plan period. This will involve defining a network and hierarchy of centres that are resilient to anticipated future economic changes, and setting flexible policies which are able to respond to changing economic circumstances.

LPAs' evidence bases should consider the need for retail and leisure development taking into consideration both the quantitative and qualitative need for additional floorspace. As part of the development plan process, LPAs must identify an appropriate range of sites to accommodate the identified need which should be capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for disaggregation. Identifying sites for main town centre uses that are suitable, available and viable should be based on a sequential approach. Sites should then be allocated within development plan documents to meet at least the first five years identified need.

**Development management policies** within the PPS identify the level of evidence required to support planning applications for main town centre uses; for example, a sequential assessment is required for developments outside existing centres, and an impact assessment for developments over 2,500 square metres gross floorspace, or any local floorspace threshold that are not in an existing centre or in accordance with an up to date development plan.

Significantly, in relation to planning applications for retail and leisure developments, the PPS has removed the requirement to demonstrate need. However, the retained policy requirement to assess the potential impact on existing centres will still involve, inter alia, explaining where the expenditure attracted to the new store will come from. The PPS also contains policies that deal specifically with economic development and tourism in rural areas, including applications affecting shops and services in local centres and villages.

LPAs are urged to support small-scale economic development recognising that a site may be an acceptable location even though it may not be readily accessible by public transport. Likewise, LPAs should approve applications for the conversion and re-use of existing buildings in the countryside for economic development where the benefits outweigh the harm.

If you would like more information or have any queries in relation to how this new national policy context could affect your landholding or property, please feel free to get in touch with us at:

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