

DLP BRIEFING NOTE 153

Prepared by
DLP Planning Consultants

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Client Briefing Note: Technical Advice Note 23: Economic Development

Introduction

Technical Advice Note (TAN) 23 on economic development was published by the Welsh Government in February 2014 and follows an amendment to the chapter on economic development in Planning Policy Wales in November 2012.

Planning and the market

It is stated by TAN 23 (paragraph 1.2.5) that “Local planning authorities should recognise market signals and have regard to the need to guide economic development to the most appropriate locations, rather than prevent or discourage such development.”

A sequential test approach should be used to identify land for economic uses in development plans. For example, preference should be given to those sites in the settlement boundaries.

TAN 23 says that authorities need to work together to develop economic areas and a strategy for resource sharing.

Weighing economic benefit

Local planning authorities are encouraged to seek “win-win outcomes” (TAN 23, para. 2.1.1) where development achieves social and environmental as well as economic objectives.

However, this is not always possible and where there may be social or environmental harm TAN 23 proposes three questions that should be asked. The first is what are the alternative sites and would these cause less environmental and social harm. Secondly, how many direct jobs are to be based at the site. Thirdly, would the development make any special contribution to policy objectives, such as those in Planning Policy Wales (PPW).

Most local authorities do not possess the expertise to assess the economic impact of a development at DLP we have developed the Standard Economic Appraisal Model (SEAM) which allows the calculation of jobs and GVA of both residential and employment projects both during their construction phase and when the development is occupied. As a standard approach it does allow comparison between sites and proposals and has been used to support both planning applications and appeals for housing, employment and mixed use development. An example of the output of the model is included on the next page.

Rural economy

It should be considered whether rural areas could be made more sustainable through economic development, for example, by encouraging people to work close to home and reducing the need to travel. TAN 23 states that “similarly new businesses aiming to join existing clusters may need to be close to existing businesses if they are to derive the benefits” (para. 3.1.3).

Local authorities should also be open to the re-use and adaptation of existing rural buildings to business uses.

Development plans

TAN 23 emphasises the importance of local authorities having an economic vision and economic development objectives being consistent with all other aspects of the Local Development Plan (LDP) and other local authority strategies.

In terms of allocating employment land, TAN 23 states that local authorities must work together to find the most sustainable locations “so that economic growth is not constrained by lack of land” (para. 4.5.1).

Planning authorities should set targets and specific sites but also need to ensure they balance the need for employment land against the need for other land uses.

Housing and regeneration minister, Carl Sargeant said of TAN 23 that it:

“explains the importance of local planning authorities collaborating at a regional level and indicates how they can achieve this by pooling skills and resources and preparing joint regional economic studies.”

He went on to say:

“It is important that local planning authorities recognise that they need to take a strategy approach to planning decisions. This includes steering development to the most sustainable location, even if this lies outside their boundary.”

Again DLP can independently assess the level of employment land required by reference to past rates of delivery, future projections based upon the detail performance of the different sectors of the local economy as well as interpreting local policy objectives. As part of these assessments DLP can identify and promote both traditional and alternative employment sites and strategies.

The Economic Benefits of Housing In Mixed Use Scheme



Dynamic Development Solutions

ECONOMIC IMPACTS

Construction Phase

£53m
Construction cost of £53m

375
375 person years of construction work

Indirect spin off to surrounding area

£180m
Capital Investment of £180m

JOBS
Local jobs and apprenticeships

+3.1m per year Gross Value Added to the economy

Operational Phase

1,200 JOBS
Up to 1,200 on site jobs

470 JOBS
+470 indirect jobs at regional level

S106 → £50m+
S106 provides £50m+

230 JOBS
+230 indirect jobs in surrounding area

£350m - £380m
RETAIL
£350m - £380m of retail expenditure pa

£41.2m
New Homes Bonus £41.2m

+£6.3m pa
Council Tax +£6.3m pa



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A summary of matters that the DLP Consulting Group provide services for follows:

Strategic Planning Research Unit (DLP)

Objective Assessment of Housing Needs
Five Year Land Supply Assessment
Economic Impact of Housing
Economic Impact of Development Proposals
Retail Impact Analysis
Expert Witness on Housing Needs
Local Plan Examinations

DLP Planning Consultants

Planning Applications and Appeals
Public Consultation
Development Promotion
Development Plan Representations
Land Searches
Project Management
Minerals and Waste Planning
Conservation Area / Listed Building Negotiation
Enforcement
Retail Impact Analysis
Renewable Energy Planning and Delivery
Discharge of Planning Conditions

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