

Consultation on PPS 4: comments by Jenny Gammon, Director of Globe Regeneration Ltd, March 08

- **The overall thrust of the PPS is welcomed as it is consistent with other major national policy changes which aim to facilitate development where benefits outweigh disbenefits**

The draft PPS is consistent with other major policy changes which emphasise a positive and proactive role for Local Authorities in place shaping and the sustainable Communities agenda, with equal emphasis on environmental, social and economic perspectives. It is clearly promoting a closer link between economic development and planning – which is to be welcomed. There is a very broad range of activities included under economic development, including housing – it would be helpful to explain the inclusion of this. In some regeneration or rural areas, housing led growth is a recognised approach to achieving growth and diversification, but in other areas, achieving a balance of employment and housing is a real challenge.

- **The expertise and resources necessary to deliver change should not be underestimated**

The Sub National Review (SNR) of Economic Development is likely to lead to a new statutory function (for Upper Tier and Unitary Local Authorities), and increased uniformity of priority being given to the function, whilst also reinforcing a (more) positive approach to planning. How this is taken forward in local authorities will be a key consideration – it requires a range of changes, many of which require expertise and capacity to bring about:

- Cultural change which includes, but goes beyond, planning and economic development in councils – and will need to involve Officers and Councillors
- Organisational changes (in some cases) in individual councils to instil cultural change and support skills development and knowledge exchange to break down professional barriers
- More joint working between local authorities and with regional bodies to identify where common approaches to evidence gathering or plan developments would add value – and then to take that joint working forward
- Joint approaches to gathering, keeping, updating and monitoring information which will need common systems and sufficient capacity of experienced research professionals

These significant changes need work at a time when there is a lack of experienced people across planning, economic development, economic research – and indeed most sustainable communities' disciplines. The roles and resources of support organisations need to be clearly identified to help support these changes.

- **Can you have it both ways – how to achieve the right balance between evidence based plans and a responsive approach?**

There is stress throughout on flexibility and being responsive, rather than applying policies set out in a development plan. Indeed it is suggested that local planning authorities may wish to consider revisions to a plan in response to proposals that meet wider objectives. There is a tension between ensuring robustness and public confidence in development plan processes - and being responsive to proposals coming forward. Across planning policy, emphasis is placed on public consultation and community engagement; it will be important not to undermine public confidence in plans developed through a strong consultative approach when demonstrating a flexible attitude in their implementation.

Setting criteria based policies, limiting restrictive uses and promoting mixed use developments are proposed as ways of building in flexibility. Whilst this is welcomed to aid responsiveness, there needs to be greater clarity and on how these aspects fit with development of an evidence based plan and the circumstances in which such a plan should be revised in response to proposals.

There is a need to be clear on the interpretation of some key words in the document. For example, Government objectives include ...”a good range of sites...” and “a good supply of land and buildings...”. These references need clarification to ensure that Local Authorities can meet these objectives.

- **Help is needed to develop an evidence base which can serve a range of purposes**

The draft PPS, along with the SNR, puts the onus on Local Authorities to take the lead in preparing economic and market assessments, and a sound evidence base, to inform policy, interventions and development control processes. The PPS emphasises the link.... “the proposed economic assessment could play a central role in the evidence base needed to underpin regional strategies and core strategies”. The timing of this is out of step with timescales for preparing many Local Development Frameworks (LDFs) and it will be important to work through how economic assessments can inform LDFs and other strategies at regional, sub-regional and local levels.

Undertaking meaningful and consistent evidence gathering and assessments that meet this spatial “nesting” is no mean feat to achieve. There needs to be support for Local Authorities and partnerships to gather, update and interpret data. There needs to be further investment in economic and market intelligence, area profiling modelling techniques and analytical tools which provide a comprehensive view of a range of spatial geographies.

- **The distinction between market information and statistical data – the need for more, and more up to date, common data sets for range of geographies**

There is a presumption in favour of determining whether proposals and development should go ahead, unless there is an evidence-based good reason why the social, economic and/or environmental costs of development are likely to outweigh its benefits. The challenge will be to develop a sound, up to date, evidence base which can be directly applied to individual developments.

Annex A in the draft PPS 4 sets out data which could make up the evidence base. Most of the data is statistically based national data sets which, generally, become less robust when applied to the local level. Many data sets provide a picture of the past (eg census) and, apart from overall trends, their value as up to date market assessments is limited. The term, market information, is used interchangeably with economic data – it could be argued that little included in Annex A is actually up to date, market information. Conversely, it is important that short term market information is not given too much weight in assessing the impact of developments. For example the view of commercial agents can be extremely useful in identifying current market activity, but should be recognised as providing a snap shot, rather than indicating longer term trends. A range of market information will undoubtedly be needed.

Most Regional Development Agencies (RDAs) have undertaken economic forecasts, but different approaches have been taken so that it is hard for comparisons to be made across boundaries. It would be helpful to have more focus on how such data could be developed at national, regional and sub-regional levels, support in securing a useful range of local market information, and expertise in analysing and interpreting it. Resources are needed to develop and use a range of area profiling and modelling techniques.

- **The issue of financial viability**

One distinction in the past, between planning and economic development roles in considering land supply, has been the need for economic development to give greater consideration to deliverability of sites. The basis of many interventions is market failure when allocations fail to deliver. There are a couple of references in the draft PPS to “price signals”. It would be helpful to have guidance on what this means and the degree of consideration given to financial viability.

Understanding viability for employment purposes is crucial but difficult to achieve. Sites can be financially viable for housing but not for employment which may have been identified as the use most needed in the locality. Merely safeguarding employment land does not necessarily mean it will come forward for development. Also, there may be occupier demand for sites and premises, but the commercial development industry may not be of the view that they can make a return on the site. A range of approaches to bridging

this gap may be possible and further support to provide expertise on financial viability assessment and practical ways of facilitating development, for example, tariff approaches, infrastructure funding and other interventions.

- **A welcome recognition of major trends which affect the scale and location of employment, but real difficulties in assessing and achieving optimum benefits from mixed-use developments**

Increased flexible working and the potential of ICT to enable a greater range of working practices is recognised, as is the potential to re-use historic and redundant buildings. The increasing proportion of employment taking place on non B class sites is a particular issue – again the mix between plan led and a flexible response is key to shaping and responding to these trends.

There are real difficulties for local authorities in influencing the actual mix delivered on mixed-use developments. The LDF process currently requires employment land reviews to assess land supply and demand, which involves making assumptions on job creation in business sectors and how they translate, through use classes, into land requirements. Each use class tends to have different development densities, so there are a range of assumptions to make. It is a complex judgement, therefore to equate jobs and economic growth to land requirements, and this will be made more difficult if increased mixed-use developments – with an uncertain mix – are approved.

Co-ordinated help, dissemination of best practice and case studies would be practical ways of providing support to authorities tackling these issues. A consistent approach to land-use monitoring and reporting, and shared systems to capture data, would be helpful in building up the evidence base for a range of geographies.

- **A welcome emphasis on quality**

Across planning and economic development, quality of design and development is a key consideration and it is good to see the draft PPS recognise the strong link between investment and business growth and quality of location and environment (paragraph 26).

- **A positive approach to rural development – and recognising accessibility is relative**

There is much to be welcomed in the PPS about the stress on ensuring the particular needs of rural areas are met in terms of new economic opportunities. There is a key change of emphasis (paragraph 32) which supports what many rural authorities have been stressing ...”a site may be an acceptable location for development even through it may not be readily accessible by public transport.