



PLANNING FOR PROSPERITY - Retail Implications

Consultation document Planning Policy Statement 4: Planning for Prosperity (PFP) was issued on 5th May 2009, with consultations running until 28th July 2009. The intention is PFP will replace existing PPG 4, PPG5, PPS6, part PPS7 and part PPG13 (Transport). The general thrust of the document relates to 'economic development' i.e. retail, commercial and industrial uses.

Planning for Prosperity

The amalgamation of national statements reflects intentions to streamline the planning system. Set out in a series of 24 policies, the statement represents a more rigid framework and is split into two clear sections:

- Plan Making Policies
- Decision Making Policies

That aside, the statement does not introduce anything fundamentally different in policy terms, but does urge authorities to be proactive and responsive in policy and plan making. The challenges posed to developers will depend in large part on the interpretation of key wording.

In retail terms, a number of changes from Draft PPS6 (July 2008) are included and, on balance:

- PFP encourages a more proactive approach than current PPS6. There is a general presumption in favour of development where policies are satisfied and significant wider benefits realised.
- Applicants are no longer required to undertake the 'need' test and principal considerations on applications remain the sequential approach and impact.

Nevertheless, PFP makes a number of subtle changes from Draft PPS6 and the emerging planning system may not be perhaps as 'applicant friendly', as anticipated in the July 2008 Draft. Greater emphasis is placed on delivering new development through the local planning process, as opposed to a development led approach.



Need

Despite the 'need' test being dropped for applications, PFP requires the revised impact test to include an assessment of market trends, including population, expenditure and turnover. In effect, this means a capacity exercise is still required. This approach contradicts the view taken in Draft PPS6 that debate on technical matters overlooks wider benefits that may be delivered by a retail proposal.

Impact

Draft PPS6 advised any analysis should be "typically beyond" 5 years, whereas PFP says this should be "up to" 5 years, reducing potential capacity. Again, the approach is contradictory, as other policies refer to the need to ensure long term growth and investment.

However, PFP does allow for greater weight to be attached to wider benefits, meaning that a lack of capacity should not on its own be sufficient to justify refusal of planning permission.

In assessing impact, PFP also requires a specific assessment in reducing carbon emissions, although it is as ambiguous as to how this should be measured i.e. a reduction in car journeys or in building design etc.

Competition

Choice and competition remains a focus, although the mechanics of any test are not clarified, pending the Competition Commission's re-evaluation of the competition test following Tesco's challenge to the previous test.

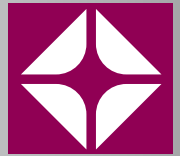
The overall approach to assessing applications is set out and reads as a criterion exercise based on quantitative aspects. Qualitative aspects, such as linkage, clawback of trade, and wider benefits are vaguely referenced in text.

Format

In respect of large format retail, Draft PPS6 recognised the benefits that such stores had in helping to anchor a centre and stimulate regeneration. This reference is removed, which again makes it less clear cut when addressing the merits of such stores. Reference to local planning authorities identifying sites capable of accommodating larger format development remains.

Sequential

Despite the sequential approach, there is a distinct lack of clarity in respect of edge-of-centre sites and promoting linkage.

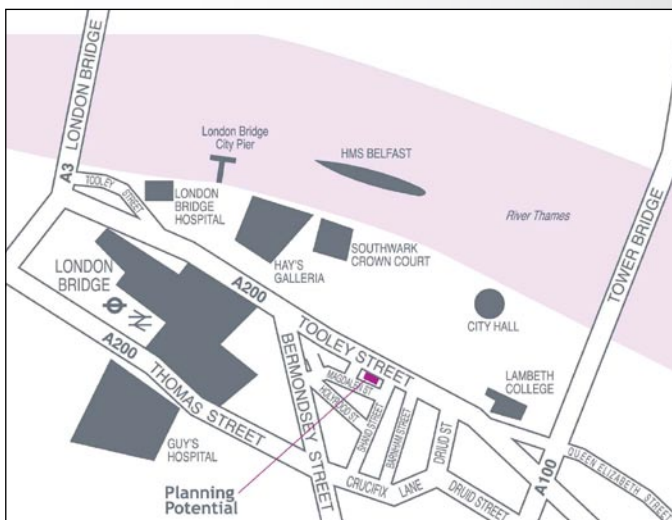


Going Forward

As hinted at in the draft PPS6, impact will be a fundamental consideration. In the face of sterner tests it will be important that applicants seek to remove argument over ambiguity of impact and validate proposed benefits. To this end evidence based justification for proposals, potentially to include examples of positive impacts from development elsewhere, will prove valuable and ensure a defensible approach.

Responses are invited by the 28th July. If you would like to discuss the connotations of the proposed changes, or require advice on the new impact tests, please contact the Retail Team at Planning Potential on 020 7537 8000.

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