

PROPOSED CHANGES TO PLANNING POLICY STATEMENT 6: PLANNING FOR TOWN CENTRES – CONSULTATION RESPONSE OF CITY COUNCIL

Report of the Director of Development and Regeneration

1.0 Purpose of report

1.1 The Department for Communities and Local Government (CLG) has issued a consultation paper on proposed revisions to policy guidance on planning for town centres (PPS6). This report provides comments on the guidance and seeks Committee agreement of the response of the City Council to this consultation document.

2.0 Background and current position

2.1 Planning Policy Statements (PPS) set out the Government's national policies on planning. They are taken into account in preparing Council planning policy documents such as the Local Development Framework (LDF) and may be a material consideration in determining planning applications.

2.2 The current PPS6 was published in March 2005 and sets out the national planning policy framework for delivering the Government's objectives for town centres. The guidance addresses those main uses found in town centres, primarily retail but also including offices, leisure and tourism. In July 2008 CLG issued a document which highlights proposed changes to this current guidance. The consultation period runs until 3rd October 2008. CLG is specifically seeking comment to nine key questions (these, together with the suggested response are attached at Annex 1). All comments received by CLG will be taken into account in preparing the final PPS which, when approved, will replace the current PPS6.

3.0 Main Aspects of current guidance in PPS6 (March 2005)

3.1 The current PPS6 emphasizes the need to promote vital and viable town centres. This will be achieved by focusing development in existing centres in order to strengthen and regenerate them. The PPS addresses the development of main town centre uses including retail, leisure, offices and hotels and conference facilities.

3.2 A key area of the Guidance is the setting out of specific tests which must be applied to site selection through the development plan process and also when considering planning applications for main town centre uses. These tests comprise:-

- An assessment of the need for development;
- Ensuring the scale of development is appropriate to the location;

- The application of the sequential approach to site selection i.e. City centre first followed by edge-of-centre, then well-accessed sites in out-of-centre locations;
- An assessment of the impact of development on existing centres; and
- Ensuring that locations are accessible and well served by a choice of means of transport.

3.3 Nationally the guidance has been instrumental in reversing the trend towards retail development outside town centres. Locally, the guidance has been a major influence in the council's efforts to regenerate the City Centre; it has informed the preparation of the Unitary Development Plan (UDP) Alteration for Central Sunderland and has been a key material consideration in assessing development proposals in the City Centre.

4.0 Proposed changes to PPS6 (July 2008)

4.1 The main changes relate to Chapter 3 of PPS6 which addresses how planning applications for main town centre uses should be assessed. These can be broken down into three main areas:-

4.2 **Need:** The needs test is a key mechanism which affects the outcome of planning decisions affecting retail and leisure proposals. PPS6 currently requires significant weight to be put on "quantitative" need for additional floorspace in the decision making process, and this is often expressed as an area's capacity for additional retail expenditure.

4.3 It is proposed to remove the requirement for an applicant to demonstrate 'need' for a proposal which is in an edge-of-centre or out-of-centre location and which is not in accordance with an up-to-date development plan strategy. It remains the case that an assessment of the 'impact' of a proposed development would still be required.

4.4 The proposed changes follow on from the earlier recommendations of the Barker Review of Land Use Planning (December 2006) which examined the link between planning and economic growth. The Review concluded that the needs test is not promoting competition, in certain circumstances it could be protecting existing businesses to the exclusion of new stores; in essence, the planning system is potentially preventing entry to local markets by new retailers.

4.5 **Impact of proposals:** It is proposed that the existing guidance on assessing impact is to be replaced with a new set of factors which widens the range of issues to be assessed when allocating sites through the development plan and when considering planning applications. This new framework has a broader focus with emphasis on economic, social and environmental impacts as well as strategic planning impacts that enables positive and negative town centre and wider impacts to be taken into account. Key features of the new impact assessment include:-

- the accessibility of the proposal by a choice of modes of transport and the extent to which a proposal will form links with existing centres to promote linked trips and town centre vitality and viability;
- the extent to which the proposal benefits deprived area and promotes social inclusion;

- how the proposal will affect employment in the area, particularly whether it will create new jobs and lead to a net increase in employment;
 - in the context of retail proposals, the extent to which a development will “claw back” trade leaking outside the catchment area of the proposal;
 - the extent to which a proposal will help promote or undermine economic and physical regeneration in the area within 5 years of the implementation of the proposal.
- 4.6 Where there is clear evidence that a proposal is likely to have a significant adverse impact on the town centre, the Consultation Draft proposes that this will normally justify the refusal of planning permission. Conversely, where there are considered to be some adverse town centre impacts but these are likely to be outweighed by significant wider economic, social and environmental benefits arising from the proposal, local authorities should consider such proposals favourably.
- 4.7 The proposed changes also clarify what should be expected from impact assessments and have made it clear that judgements about the extent of any impacts should be informed by the development plan and local assessments of the health of town centres.
- 4.8 **Sequential assessment:** The sequential approach to site selection would remain. It is proposed, however, that proposals in edge-of-centre locations should be considered favourably unless there are significant adverse impacts on a town centre.

5.0 Implications for Sunderland

- 5.1 It is proposed to remove the requirement to demonstrate need for development. The guidance states that proposals in edge-of-centre locations which are well connected to the centre by means of easy pedestrian access should be “considered favourably” under the sequential approach unless there are “significant adverse impacts” on the town centre, taking account of local circumstances.
- 5.2 Whilst the need for individual development proposals would no longer have to be demonstrated under the new guidance, it remains that it would still be necessary to estimate overall floorspace requirements in the longer term. The PPS emphasises the need for a robust evidence base to support development plan preparation and provide a context for considering proposals. A Retail Needs Assessment has been commissioned by the Council. This will update the previous study prepared for the UDP Alteration No. 2 for Central Sunderland and will provide an indication of likely retail floorspace requirements in the City up to 2021.
- 5.3 However it is possible that the new impact test would give the council a better tool to prevent large developments that put small shops and town centres at risk. Using this test, the council would have to examine a wider range of factors when assessing retail proposals including retail diversity, loss of trade, impact on city centre investment, design quality, job creation and economic and physical regeneration. Unfortunately

detailed guidance is not yet available on the actual form that the test will take. CLG indicate that this guidance will be published separately.

- 5.4 The sequential approach is retained largely unchanged, but greater weight is given to edge-of-centre developments subject to qualification.

6.0 Recommendation

6.1 Committee is recommended to:-

- i) Agree the comments as detailed within this report and Annex 1;
- ii) Forward a copy of this report and schedule of questions and comments to the CLG as constituting the formal response of the City Council.

7.0 Appendices

7.1 Schedule of CLG questions and comments

8.0 BACKGROUND PAPERS

PPS6: Planning for Town Centres (2005)

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PROPOSED CHANGES TO PLANNING POLICY STATEMENT 6: PLANNING FOR TOWN CENTRES - CONSULTATION

Questions on which we would particularly like your views

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1a Will the proposed changes support current and prospective town centre investment?

Yes No or Yes with reservations (please specify)?

Comment: Yes – with reservations. The collective package of “tests” set out in the current PPS6 (2005) (and its predecessors) have been used to good effect in directing new investment away from less central locations to City Centres and retail core locations. These areas have rightly become prime locations for new investment.

Under the proposals of this Consultation Draft, there would still be a series of tests which must be adequately met to support non-central schemes. However, the removal of the ‘needs’ test could alter the pattern of investment, particularly if it results in edge-of-centre locations becoming a more attractive option to developers (even taking into account sequential considerations). The proposed removal of the ‘needs’ test could result in edge-of-centre sites becoming more attractive to developers and potentially coming forward in advance of City Centre sites. This could divert investment from the City / Town Centres and leaving vacant and underused land / premises. The key issue therefore is the adequacy of the remaining safeguards in protecting existing centres *ie* the ‘sequential assessment’ and the new ‘impact test’. It is considered that the Consultation Draft provides insufficient detail as to the precise scope and methodology of applying the ‘impact’ test which will clearly be the main determining factor in assessing non-central development proposals. On that basis, without the ability to consider what will be set out in the Practice Guidance which will be published alongside any final version of PPS6, there are obvious reservations.

When the sequential approach was first introduced in PPG6 (1996), there was considerable debate from retail operators as to how it should be applied to particular formats of store selling a range of comparison goods such as electrical goods, clothing as well as food items. Their argument was that such business formats could not operate within central locations and therefore required non-central sites. PPS6 (2005) tightened the policy requiring operators to demonstrate flexibility in the consideration of sites and formats of stores. Some operators have adjusted their developments to fit this policy such as splitting goods between locations or changing traditional store formats away from large single storey activities to smaller sites with multiple levels. This has been positive in decreasing out of centre developments.

The Consultation Draft suggests a more relaxed approach to applying the sequential assessment on edge of centre sites. Therefore, there are further reservations that this could re-open the debate over the degree of flexibility that the developer must apply in bringing forward proposals.

2 Does the scope of the new impact test achieve the right balance and is it robust enough to thoroughly test the positive and negative impacts of development outside town centres?

Comment: The proposed test includes consideration of factors such as social inclusion, employment, clawback and economic and physical regeneration which were not included in the previous guidance. These new factors are particularly welcomed and will be of particular assistance in providing the Council with a more comprehensive assessment of local impact.

It is important that the guidance on the assessment of impact referred to in paragraph 3.19i is made available at the same time as the revised PPS in order to enable local planning authorities to assess development proposals. This guidance will be particularly important in ensuring that the impact test is applied appropriately.

3a Is there scope to simplify and streamline the various impact considerations further?

Yes No or Yes with reservations (please specify)?

Comment: No - the proposed tests set out in paragraph 3.19g are reasonable. However further information is required as to how less tangible factors can be assessed e.g. (iii) the extent to which the proposal benefits deprived areas and promotes social inclusion, and (vii) the extent to which a proposal makes efficient and effective use of land

4a Is the consideration of consumer choice and retail diversity as part of assessing the impact of a proposal appropriate and will it be sufficient to help promote competition?

Yes No or Yes with reservations (please specify)?

Comment: Yes – this is a new and valuable addition to the impact test and, in the absence of the “competition test” (that was previously suggested for inclusion in this PPS but is the subject of a legal challenge by Tesco), will provide an appropriate approach to ensuring a broad range of retailer representation in an area.

5a It has been suggested by some stakeholders that we should consider limiting impact assessments to larger development proposals and that it should be confined to retail developments. PPS6 and our proposed revisions maintain a flexible approach to the preparation of impact assessments for all main town centre uses and do not limit assessments to larger developments or retail proposals. Do you think our flexible approach should be retained?

Yes No or Yes with reservations (please specify)?

Yes – the flexible approach should be maintained. A relatively small development can have a disproportionately large impact depending upon local circumstances; this particularly applies to retail development but can also apply to office development. It remains important to assess the impact of significant speculative out-of-centre B1 office proposals as these can divert investment away from Town Centre locations. However, it is considered that a greater degree of flexibility should apply to hotel developments and it is questioned whether they should be classed as an essential town centre use. There are clear examples of where hotels should be accommodated in non-central

locations eg sea fronts, adjacent to golf courses, existing business parks where in operational terms their main business clientele are based.

6a Are the existing health check indicators in Chapter 4 sufficient to enable informed judgments to be made about the various impact considerations which have been identified?

Yes No or Yes with reservations (please specify)?

Yes with reservations – the existing health checks cover a wide range of indicators/ factors and are considered sufficient to allow an assessment of impact to be made.

However, there are reservations regarding : -

- The additional text in bullet 6, regarding the length of time properties have been vacant
- New bullet 8 regarding land values and the length of time key sites remain undeveloped.

Whilst a useful indicator around the issue of the length of time premises or land is vacant/undeveloped cannot be read in isolation to justify a change in policy. There should be also be a clear reference to understanding “why” such instances have occurred on particular sites. Causes may be more than a simple understanding of land values and may also be a consequence of *inter alia* out of date planning policies, land ownership constraints, contamination issues and infrastructure constraints.

7a Do you agree with the proposed approach to the practice guidance which will support PPS6?

Yes No or Yes with reservations (please specify)?

By this it is assumed the approach whereby detailed practice guidance is published separately from the main document. This approach allows the PPS to be relatively short and focus on the main issues regarding town centres. It is important that this guidance is made available at the same time as the revised PPS is published to ensure that local planning authorities can implement the guidance on impact from the outset.

8. Other comments on the scope of the proposed changes:

None

9. We are committed to producing policy that promotes equality of opportunity and good relations between people of different racial groups and eradicates unlawful discrimination. We would welcome views on whether the changes we are proposing to PPS6 will impact differently on people from different ethnic groups, on people with disabilities and on men and women? We particularly welcome the views of organisations and individuals with specific expertise in these areas.

Comment: It is considered that the revised guidance will not impact differently on people from different groups.