



Planning Policy Statement (PPS) 4: Planning for Sustainable Economic Growth

On 29 December 2009, the Government published the long awaited replacement to Planning Policy Guidance Notes 4 and 5 together with Planning Policy Statement 6. The new document also serves to replace the economic development sections of PPS7 and parts of PPG13.

New PPS 4 combines town centre and economic development policy into a single document.

In summary, revised PPS4:

- reinforces the 'town centres first' policy
- retains the important 'sequential test' that requires developers to seek the most central sites first
- creates a new 'impact test' that assesses economic, social and environmental criteria so councils can better assess the impacts on the town centre. It tests whether impact is positive or negative on climate change, town centre consumer choice and retail diversity; investment and town centre trade and gives councils powers to cap the size of big retail developments where this is justified.
- requires local authorities to plan positively for sustainable economic growth
- requires local authorities to make markets an integral part of the vision for their town centres, enhancing existing markets and, where appropriate, re-introducing or creating new ones.
- allows rural authorities to plan for economic development in rural areas subject to the need to protect the countryside, recognising that a site may be acceptable even if it's not readily accessible by public transport.

Of importance is that the competition test previously proposed is not included. The Competition Commission investigation into the supply of groceries in the UK market published its latest report in October 2009. A key recommendation of the report was that Government should introduce a 'competition test' into the planning system requiring local authorities to assess planning applications for new grocery floorspace over 1,000 square metres for their impacts on competition, in consultation with the Office of Fair

Trading. The Government has yet to formally respond to the Commission's recommendations, including the competition test proposal but according to the press release issued at the same time as PPS4 will do so shortly.

In addition, PPS4 brings together planning policies relating to the economy in both urban and rural areas into one single PPS. The key features of which are:

- regions and local authorities should plan to achieve sustainable economic growth through flexible and pro-active policies aimed at supporting the start up and growth of businesses, attracting inward investment and increasing employment, particularly in deprived area
- a recognition of the need to protect local services and rural economies. Councils should consider the importance of services such as village shops and pubs to their local communities; this might involve protecting existing facilities and responding positively to proposals to convert shops where this will improve their viability.
- A recognition that rural areas have an important contribution to make to national and regional economies.

PPS4 is also accompanied by a practice guidance note on need, impact and the sequential test.

Further Information

For further information on this topic or any local government law related matter please contact:

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This briefing note is intended merely to provide a summary of the law in this area and is not a comprehensive guide. It is not intended to provide legal advice for specific cases.