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A cost in planning for prosperous economies?

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The new draft PPS4 exudes the desperation born of a harsh economic climate and appears to invite short-term fixes rather than long-term sustainable growth, say **Lee Pugalis** and **Glenn Martin**

The Government's latest consultation draft of Planning Policy Statement 4 (PPS4): *Planning for Prosperous Economies*¹ intends to simplify the planning process in order to stimulate economic prosperity. It proposes that local planning authorities should 'consider proposals for economic development other than town centre uses, favourably unless there is good reason to believe that the social, economic and/or environmental costs of development are likely to outweigh the benefits'. The revised draft PPS4 published by the Department for Communities and Local Government (DCLG) on 5 May 2009 incorporates economic policy (previously scattered in a plethora of planning statements and guidance) covering industrial and commercial development and small firms, town centres, simplified planning zones, and sustainable development in rural areas.

Whereas the previous draft of PPS4: *Sustainable Economic Development* issued in December 2007 was welcomed in terms of its focus on an outdated aspect of spatial planning policy, it was largely condemned as a disappointment. Martin Simmons, for example, argued that its homogenous approach failed to relate to the Government's Review of Sub-National Economic Development and Regeneration (SNR), particularly in terms of cross-boundary economic flows expressed in city-regional policy.² Encompassed within the Government's ongoing review of regional governance and place-shaping activities at various spatial scales,³ *Planning for Prosperous Economies* purports to create 'a coherent and modern set of policies designed to meet the economic challenges we face, both short and long term'.

Indeed, in her foreword Margaret Beckett, then Minister for Housing and Planning, argued that 'for the first time, this comprehensive new draft statement brings together in one place all of the Government's key planning policies relating to the economy and streamlines and simplifies policy to focus on what is important to allow the economy to grow in a sustainable manner'. But if we scratch under the surface, does the revised draft live up to its own hype, or is there a cost to *Planning for Prosperous Economies*?

What is economic development?

According to the new draft PPS, economic development is defined as including land uses that provide employment opportunities, generate wealth, are economically productive, or a combination of the above. Such a definition should be welcomed for planning purposes as it acknowledges the different facets of economic development – most notably that sustainable economic

development requires more than a steady pipeline of employment land, as the Government's *Regeneration Framework* also recognises.⁴ Yet the *Regeneration Framework* goes a few steps further, making the case that the public sector needs to focus on creating the right conditions for economic transformation, including good healthcare and social service infrastructure, transport and communication links, affordable housing, green space, and a high quality of life. In this respect, *Prosperous Economies* is not as 'comprehensive' as Margaret Beckett would have had us believe.

The definition of economic development set out in *Planning for Prosperous Economies* loses some of its potential potency by complicating matters with the addition of a list of 'town centre' uses, including retail, leisure, offices and cultural amenities. This simplistic list of 'main' economic uses to be found in town centres is evidence of the revised draft PPS4 slipping back into an incoherent, outdated and 'un-modern' understanding of the contemporary spatial economy. Such a traditional view of economic development raises further doubt about the internal coherence of this 'modern' policy statement and its external consistency with the SNR⁵ and wider place-shaping policy, such as the regeneration priority maps identified in the *Regeneration Framework*.

Urban-rural dichotomy

PPS4 intends to implement a number of recommendations set out in Matthew Taylor's *Review of Rural Economy and Affordable Housing*,⁶ which is welcome. The economic value and potential of the country's rural communities is rightly recognised in the consultation document, which notes that rural areas are not 'a poor relation' but rather 'major contributors to the national economy on a par with all urban areas outside of London'. This performance may be surprising considering the significant injection of public sector resources targeted at urban cores, and particularly England's 'core cities', over the past decade. In contrast, rural communities have been at the sharp end of ever-tightening public sector purse-strings, having suffered post office closures, the centralisation of healthcare facilities, and declining public transport services.

Although draft PPS4 recognises that rural economies cannot be separated from their urban counterparts, rural areas are dealt with separately and, we contend, rather awkwardly. The term 'rural areas' is too often conflated with that of 'countryside', which is likely to direct planners down a protectionist path. Such a policy direction neglects the economic contribution of rural areas and may threaten the potential for emerging opportunities, such as greater live-work space provision in geographically peripheral rural localities. Furthermore, simplistic rural land use policy displaying a lack of spatial awareness may also hinder a rural enterprise surge beyond anything other than farm diversification and equestrian activities.

Indeed, Matthew Taylor's Review also struggled to paint an adequate picture of the needs and opportunities of rural areas across the country – particularly those in the North which continue to suffer from de-industrialisation and disinvestment. Of notable concern, *Planning for Prosperous Economies* reverts back to outmoded language and thinking that the Taylor Review tried to overturn. The opening paragraph of Policy EC9: 'Local planning approach to rural areas' reads more like open space guidance

than policy which recognises the real economic potential of rural people,⁷ and the 'decision making policies' (EC12-24) reduce rural economies to 'shopping', the 'countryside' and 'tourism'.

It appears that all the talk of city-regions and of the sub-regional economic flows and interactions espoused in the Government's SNR have fallen on deaf ears in terms of the draft PPS's planning interpretation of the spatial economy. Unfortunately, *Planning for Prosperous Economies* opts to focus exclusively on local and regional planning and dichotomising urban and rural relations, so undoing the positive steps made by recognising that there is no such thing as a separate 'rural economy'.

Growth at any cost?

The social and environmental benefit of good design is very difficult to demonstrate, but *Planning for Prosperous Economies* approaches the determination of planning applications from the opposite angle, calling for a clear demonstration of 'dis-benefits' to justify rejecting proposals. The guidance proposal that local planning authorities should consider economic development applications 'favourably unless there is good reason to believe that the social, economic and/or environmental costs of development are likely to outweigh the benefits' is likely to see local planning authorities finding it extremely difficult to reject lower-grade development schemes on an individual basis, with the result that the combined effect of incremental inappropriate development could work against the promotion of well designed, inclusive spaces.

While making a valid attempt to devise a national policy framework that plans positively for economic growth, draft PPS4 unfortunately exudes the desperation of politicians and policy-makers operating within a harsh economic climate. There is a real danger that a 'growth at any cost approach' will prevail to the detriment of long-term sustainable growth; a short-term fix along the lines of past mistakes rather than a solution with longevity.

'Lose-lose' choices?

Scratching beneath the surface of *Planning for Prosperous Economies*, it quickly becomes apparent that many of the shortcomings replete in the 2007 iteration of draft PPS4 remain. We therefore conclude that the revised draft fails to live up to its own hype of providing an integrated package of policy measures designed to prepare for an economic recovery and facilitate prosperous economies. Indeed, we argue that the presumption *in favour* of economic development may well come at a significant long-term cost. If implemented, the proposals in draft PPS4 may facilitate unsustainable development patterns and force places into 'lose-lose' choices between inappropriate development or no development.

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Notes

- 1 *Consultation Paper on a new Planning Policy Statement 4: Planning for Prosperous Economies*. DCLG, May 2009.
www.communities.gov.uk/publications/planningandbuilding/consultationeconomicpps
- 2 M. Simmons: 'A draft for economic disappointment?'. *Town & Country Planning*, 2008, Vol. 77, Mar., 116-8
- 3 See, for example, L. Pugalís: 'Regional governance and place-shaping – an evolving tripartite relationship'. *Town & Country Planning*, 2009, Vol. 78, Jan., 38-41
- 4 *Transforming Places; Changing Lives: Taking Forward the Regeneration Framework*. DCLG, 2009.
www.communities.gov.uk/documents/citiesandregions/pdf/1227732.pdf
- 5 L. Pugalís: 'SNR – a story of compromise'. *Journal of the Institution of Economic Development*, 2009, Vol. 107, 6-7; and L. Pugalís: 'Putting the fox in charge of the hens?'. *Town & County Planning*, 2009, Vol. 78, Feb., 67-9
- 6 M. Taylor: *Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing*. DCLG, 2008
- 7 'Economic development in open countryside away from existing settlements, or outside areas allocated for development in development plans, should be strictly controlled. Most new development should continue to be located in or on the edge of existing settlements as this facilitates best use of existing infrastructure and delivers sustainable development. The countryside should be protected for the sake of its intrinsic character and beauty, the diversity of its landscapes, heritage and wildlife, the wealth of its natural resources and so it may be enjoyed by all.' Para. EC9.1, *Consultation Paper on a new Planning Policy Statement 4* (see Note 1)