



Planning for town centres: reopening the "in town" versus "out of town" debate?

Planning briefing
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Following the commitment in the Planning White Paper *Planning for a Sustainable Future (2007)* to review the assessment of proposals outside town centres, the Government has now published draft amendments to Planning Policy Statement 6: Planning for Town Centres (PPS6). These are aimed at "**refining**" the current policy approach.

THE REVISIONS TO POLICY

These policy revisions have been under preparation for some time and have been presented by the Government as seeking to introduce greater flexibility in planning for town centres. With the recent credit crunch's effect on complex town centre regeneration projects' delivery and value, however, there is concern that greater flexibility towards edge or out of centre proposals will not be helpful.

Policies formulated during the property boom such as the community infrastructure levy and planning gain supplement look increasingly inappropriate and at the end of the consultation period the Government may need to review whether greater flexibility in this context is going to deliver overall benefits or whether it could hit town centres at a difficult point in the economic cycle.

PROPOSED CHANGES

The following headline points emerge:

- The proposals would remove the requirement for an applicant to demonstrate "**need**" for an edge or out of centre proposal which is not in accordance with an up-to-date development plan strategy.
- The existing impact assessment would, however, be replaced with a new "**impact assessment framework**" which applicants for proposals outside town centres would need to undertake in certain circumstances. Key features of the new test would be:
 - broader focus on economic, social and environmental considerations together with strategic planning impacts that enable positive and negative town centre and wider impacts to be taken into account;
 - identification of key impacts including impact on planned in-centre investment, whether the proposal is of an appropriate scale and impacts upon in-centre trade/turnover which takes account of current and future consumer expenditure capacity. It is difficult to see how "**need**" will not still be relevant to the assessment of these issues; and



- identification of wider impacts. Proposals should be approved "**where there are likely to be some adverse impacts but these are likely to be outweighed by significant wider benefits arising from the proposal**". Accordingly, out-of-centre proposals which satisfy these criteria can expect to receive favourable consideration notwithstanding "**some adverse impacts**" if they can demonstrate "**significant wider (our emphasis) benefits**".
- There is no proposed change to the requirement for local planning authorities (LPAs) to assess the need for new town centre development or to take account of scale, impact and accessibility considerations or the sequential approach.
- A modified "**needs**" test would be retained for development plan preparation. This could create an inconsistency between the approach to determining planning applications, where the needs test would be removed, and the preparation of development plans.

Consultation on the draft proposals ends in October 2008 and the intention is to review comments and feed them into a revised PPS6 document. It is also intended to introduce separate and more detailed advice on need and impact considerations.

COMPETITION CONSIDERATIONS

The proposals strengthen reference to competition considerations including a requirement for proposals to be assessed on the extent to which they promote consumer choice and retail diversity.

LPAs are urged to plan for sustainable economic growth and to have flexible policies which are responsive to change and take account of regional economic strategies.

STATUS OF TOWN CENTRES

Although the primacy of the town centre continues to be emphasised and supported, significant and unequivocal emphasis is placed upon the need for LPAs when producing town centre policies, to "**provide flexible policies responsive to change, to take account of regional economic strategies and to plan for sustainable growth**".

LPAs are also urged to recognise that networks and hierarchies change over time and to ensure that their policies are sufficiently flexible to respond to such changes.

Regional planning bodies are urged to develop a network of centres which support the broad pattern of growth anticipated across the region. New centres are to be considered where there are deficiencies in the existing network of centres.

SITE SELECTION/SEQUENTIAL APPROACH

The proposals retain the sequential approach to site selection in particular in terms of the following considerations:

- scale;
- format;
- car parking provision; and
- dis-aggregation.



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Significantly, the proposals urge local planning authorities to be **"realistic in considering whether sites are suitable, viable and available"** to take into account **"any genuine difficulties, which the applicant can demonstrate are likely to occur in operating the applicant's business model from the sequentially preferable site in terms of scale, format, car parking provision and scope or disaggregation"** particularly where it will result in a **"retail operator [being] required to provide a significantly reduced range of products"**. On the dis-aggregation point, the proposals stress that a **"single retailer or leisure operator should not be expected to split their proposed development into separate sites where flexibility in terms of scale, format, car parking provision and disaggregation has been demonstrated"**.

CONCLUSIONS

As with much recent policy guidance the draft sends some mixed messages. Town centres are still to be cherished and grown but there is to be greater flexibility. The needs test is to be dropped for edge and out of centre applications but retained for development plan preparation and, in practice, it is likely to need to be looked at in impact assessments under another name.

Those developers and applicants engaged in the promotion of town centre regeneration schemes can take some comfort from the Government's continued commitment to the pre-eminence of town centres.

That said, the document sends a clear signal that if the policy support being relied upon for town centre proposals is out-of-date, does not reflect sub-regional policy positions on the disposition and hierarchy of centres and/or prejudices such proposals, they are likely to run into difficulties. By the same token the chances of success for edge or out of centre proposals will be enhanced if there is sub-regional policy support for such locations.

The thrust of the consultation document is very much in favour of LPAs adopting a **"flexible"** approach to additional retail provision and for the first time acknowledges that considerations such as pricing and applicant's business models should play a significant and **"material"** role in the determination of proposals.

The proposals are therefore likely to be welcomed by developers seeking consent for edge or out of centre proposals but may be less welcome to investors in town centres where significant investment has been directed or is planned on the basis of the Government's past tough line on the assessment of edge and out of centre schemes. It will be interesting to see how each side of the debate responds to the consultation.

We will be monitoring that debate and assisting clients in formulating their responses. If you would like to discuss the proposed changes in further detail please contact Wesley Fongenie at Nabarro LLP or your usual contact.



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