

## PPS4: Industrial and Commercial Development

By Reuben Taylor

1. "Blessed are the young for they shall inherit the national debt" said Herbert Hoover. That quotation has a particular resonance in these modern times when this country faces an unparalleled level of national debt.
2. The Government has set a target of reducing the current budget deficit by half over the next four years. Part of its strategy is to invest "collectively in Britain's strengths and capacity for growth". We have been told by Lord Mandelson in "Going for Growth: Our Future Prosperity" only recently that:  
  
"For long term stability and shared prosperity, the growth of the UK economy after the banking crisis will need to be environmentally sustainable, more balanced and resilient to economic shocks, and shared widely across both regions and individuals."<sup>1</sup>
3. Thus, as of January 2010 the Government is anticipating economic growth. It is anticipating managing economic growth which is sustainable in environmental terms, is balanced, resilient to economic down turn and which is spread across the regions.
4. One might expect therefore that the planning system would play a significant role in delivering this growth; As PPS1 explains:  
  
"Planning shapes the places where people live and work and the country we live in. Good planning ensures that we get the right development, in the right place and at the right time."<sup>2</sup>
5. Thus, one would have thought that the publication of PPS4: Planning for Sustainable Economic Growth, published as it was only some two weeks before "Going for Growth", would indicate how the planning system is to ensure that the rights sites are available to deliver the economic growth required to rise out of recession.

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<sup>1</sup> Going for Growth: Our Future Prosperity, Jan 2010, conclusion page 53

<sup>2</sup> PPS1 paragraph 1

6. In this paper I look at what PPS4 actually means for industrial and commercial development in the future.

### **Industrial Development**

7. The industrial sector of the UK economy has, of course, been diminishing for a number of decades. Between 1997 and 2007 the number of factories employing 50+ staff declined by 33%. Prior to the recession the number of such factories in the UK was falling at an annual rate of 2%.
8. This is of course as a result of "globalisation"; the emergence into the global market place of a number of countries, but particularly China and India, as major industrial powers with access to comparatively very cheap labour. China's share of world output increased from 2.6% in 1980 to almost 5.5% in 2006 for example. Its hourly manufacturing cost in 2004 was 1\$ US compared to 20\$ in the UK<sup>3</sup>. This has been combined with rapid technological change which has resulted in strong productivity growth. More can be made, more cheaply and with less people.
9. The UK has found itself unable to compete in many of the traditional industrial activities and manufacturing's share of total economic output has almost halved from around 25% in 1980 to around 13% in 2005<sup>4</sup>.
10. In response, the service sector expanded significantly. The real estate, renting and business services sector has grown particularly significantly, as has the financial services sector. Indeed, in the past two decades business services have nearly doubled their share of GDP from 7% to 14% and, prior to the recession, accounted for an increase of 1.7m jobs over the previous decade<sup>5</sup>.
11. So when recession hit the world financial markets, the UK with its highly serviced based economy was perfectly placed to reap the whirlwind.
12. The major Asian economies all pulled out of recession in the second and third quarters last year. Indeed, South Korea's economy grew at its fastest rate for 7 ½ years in the third quarter of 2009. In Europe, Germany, France and Sweden all returned to economic growth in the third quarter. The UK of course remained in

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<sup>3</sup> Globalisation and the Economy, BERR, page 4

<sup>4</sup> Globalisation and the Economy, BERR, page 9 Figure 1.6

<sup>5</sup> Globalisation and the Economy, BERR, p14

recession even in the fourth quarter. Thus, it has been postulated by some that it is the economies with a stronger industrial base that are emerging from recession the fastest.

13. As I have mentioned above, however, the Government is seeking to learn some lessons. In pursuing future economic growth, the Government is looking to create a "diverse and balanced economy"<sup>6</sup>. I read that as meaning that the Government intends to facilitate a restructuring of the UK economy so that it has a stronger industrial sector. Indeed, in his introduction to "Going for Growth" Lord Mandelson explains the objectives for industry:

"Britain will need to invest in the industries of the future, such as low carbon transport and energy, industrial biotechnology, advanced bioscience and cutting edge advanced manufacturing. We need a government that understands the ways in which carefully targeted public policy can strengthen these capabilities at critical points in their development."<sup>7</sup>

14. As one aspect of such "carefully targeted public policy", how does PPS4 seek to strengthen the industrial sector and to facilitate the anticipated new growth? Well, the answer is that it is curiously lacking in pro-active support for industrial development.

15. PPS4 covers industrial development. The phrase "economic development" that it uses is defined to include the B use classes<sup>8</sup>. The objective of PPS4 is "sustainable economic growth" which is defined as:

"growth that can be sustained and is within environmental limits, but also enhances environmental and social welfare and avoids greater extremes in future economic cycles"<sup>9</sup>

16. Only three of the five objectives of government set out in paragraph 10 are relevant to industrial development:

- build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas, both urban and rural;

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<sup>6</sup> Going for Growth, page 2

<sup>7</sup> Going for Growth, page 3

<sup>8</sup> PPS4 paragraph 4

<sup>9</sup> PPS4 paragraph 9 and footnote 7

- reduce the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
  - deliver more sustainable patterns of development, reduce the need to travel, especially by car and respond to climate change...”
17. None of these objectives are specifically targeted at promoting industrial development however. Indeed, “industry” is only mentioned once in the entire document. Whilst PPS4 contains nineteen policies, only five are of direct relevance to industrial development. This contrasts with thirteen that are relevant to retail development. It would seem that PPS4 maintains a focus upon a service based economy just on that basis alone.

### **Policy EC1 and EC2 – Plan Making**

18. Policies EC1 and EC2 combine to advise that plan making should be evidence led. A robust evidence base to understand existing business needs and likely changes in the market has to be prepared. The overall need for industrial land and floor space will have to be considered as part of this at both the regional and local levels.
19. Of particular interest is a policy now promoted that existing site allocations for economic development are to be reassessed. Policy EC2 explains:
- “Existing site allocations should not be carried forward from one version of the development plan to the next without evidence of the need and reasonable prospect of their take up during the plan period. If there is no reasonable prospect of a site being used for the allocated economic use, the allocation should not be retained, and wider economic uses or alternative uses should be considered.”<sup>10</sup>
20. EC2 also promotes economic development generally upon previously developed land.
21. These policies combined may have the result that where a vacant industrial site might have been protected in the past, if there is no evidence of an industrial use coming forward to take it up during the plan period, an alternative economic use would have to be considered. Thus, where the service and/or housing sectors are likely to be stronger in a locality over the plan period, a consequence of PPS4 may be that sites formerly used for industrial purposes will be lost to service uses or housing.

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<sup>10</sup> EC2.1 h

22. Having said that, PPS4 does seek to make some provision for industry in the plan process. Plans have to take into account "new or emerging sectors likely to locate in their area, such as those producing low carbon goods or services."<sup>11</sup> Plans are also required to plan positively for the "location, promotion and expansion of clusters or networks of knowledge driven or high technology industries", including the identification of strategic sites at the regional level<sup>12</sup>. At the very least, this ties in with some of what Lord Mandelson promotes in Going for Growth.
23. What it does not address however is how local planning authorities are to obtain the relevant data to be able to determine what new or emerging sectors are likely to locate in their area that produce low carbon goods or services. Not does it indicate how deprived areas that had a traditional manufacturing industry base are to move towards "knowledge driven or high technology industries". If there is no evidence that such industries want to locate in Hastings, Middlesbrough, Hartlepool, Bradford or Liverpool then it would appear that sites cannot be promoted for such uses consistent with policy. Instead, as I have explained above, these sites would have to be considered for alternate forms of development and may be lost to such development.
24. Of course, these issues are compounded by the slowness of the new faster development framework system. It will take many many years for the policy approach advocated in the new PPS4 to trickle down into adopted development framework policies. Even when they do the chances are that they will not reflect the economic realities that may exist at that time.
25. The Government has however anticipated this last point to some extent. Economic development policies are required by PPS4 to "be flexible enough to accommodate sectors not anticipated in the plan and allow a quick response to changes in economic circumstances."<sup>13</sup> But just reflect for a moment on the implications of this policy statement.
26. The development plan system exists to bring an element of certainty to planning. Sites are allocated. If development comes forward for that allocated use it is permitted as it accords with the plan. If development comes forward for another use

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<sup>11</sup> EC2.1 b

<sup>12</sup> EC2.1 c

<sup>13</sup> EC2.1 b

it is refused unless there is some special justification for it. Everyone knows where they stand.

27. Now consider a plan that allocates land for a use but which is subject to a policy that allows other uses of land not anticipated by the plan or where economic circumstances have changed. I would suggest that whilst having an element of flexibility in development plans may be laudable such a policy brings significant uncertainty because an allocation in the development plan can always be challenged on the basis that the land is now required for a use that was not foreseen at the date of adoption or because economic circumstances have changed. It remains to be seen what sort of arguments could be constructed regarding whether a new use was or was not anticipated in the LDF process and what constitutes a change in economic circumstances sufficient to justify a departure from an allocation.
28. A further issue is the extent to which the disparity between the regions will be addressed by PPS4. If the LDF process is to be based upon anticipated demand for industrial sites, then it will only be effective at rebalancing between the regions to the extent that the market supports such a rebalancing. But it is the market that has driven the disparity between the north and south in the past. I see very little in PPS4 that will assist in producing any significant change in the north south divide.

### **EC10 and EC11 – Development Control**

29. Policy EC10 begins with what appears at first sight to be a very positive statement of support for economic development generally. LPAs are to  
  
“adopt a positive and constructive approach towards planning applications for economic development. Planning applications that secure sustainable economic growth should be treated favourably”
30. But notice how the word sustainable has crept in there. It would appear that the policy support for economic development is contingent upon it being “sustainable”. Thus, a development that would bring economic advantages but which is not judged to be “sustainable” will not gain the support of this policy. However, as ever, we are not told what “sustainable” means in this context. Thus, whether a development proposal obtains the support of a key policy within PPS4 rests upon the application of a notoriously undefined word.

31. EC10 also requires the impact of economic development to be tested against a number of considerations
  - a. Climate change
  - b. Accessibility by a choice of transport
  - c. High quality design that improves the character and quality of an area
  - d. Economic impact
  - e. Impact on local employment
32. There is little new there. However, the introduction of a design test reminiscent of that in PSS3 to industrial development may be problematic. How many industrial manufacturing developments have you seen that result in a high quality design that improves the character of an area? One wonders why it has been considered necessary to raise the design bar for industrial development in this. To do so can only make it harder and more expensive for industrial development to obtain planning permission. Surely a test of absence of harm would be more appropriate where the Government is seeking to encourage growth in the industrial sector?
33. Policy EC11 is also of interest. This applies to applications for economic development which is not a town centre use, where the proposed development does not accord with an up to date development plan.
34. In such circumstances the LPA has to:
  - a. Weigh market and other economic information alongside environmental and social information
  - b. Take full account of the benefits and costs of development
  - c. Consider whether the proposed development helps to "meet the wider objectives of the development plan".
35. This policy is a potential minefield for the decision maker.
36. For EC11 to be applicable, the decision maker has to decide:

- a. That the development plan is up to date; and
  - b. There is a conflict with the development plan.
37. This raises the old chestnut of whether a development plan is or is not up to date. No help on the point is provided in PPS4. Presumably, this will require examination of whether or not the policies in respect of which conflict is found are based upon evidence that has not been over taken by events or which have not been over taken by changes in national planning policy.
38. In terms of what has to be done if EC11 applies, we are told that there is to be a weighing exercise but we are not told how this is to be conducted. Nor are we even told what "market and other economic information" is. What is "social information"? What weight is to be given to all of this information in the balance that has to be struck? No help there either from PPS4. This is particularly difficult given that a decision maker in these circumstances will already be seeking to weigh material considerations against the conflict with the development plan.
39. Even more strangely, given that this policy only applies where development does not accord with the development plan, is the requirement to consider whether the proposals help meet the wider objectives of the development plan that we know they already conflict with. How can a development that is not in accordance with a plan meet the wider objectives of that plan, whatever they may be?
40. These interpretative issues can only be good for business for town planners and lawyers which is to be applauded of course, but in terms of being able to advise clients of the extent to which industrial development proposals may or may not received the support of national planning policy it makes things very uncertain. That cannot be a good a good thing if the objective is to grow our industrial base in the future.
41. In conclusion, I believe that the extent to which PPS4 will assist in achieving the objectives set for the economy in terms of industrial development must be questionable.

## **Commercial Development**

42. Others are addressing retail town centre uses generally, so I have as part of my remit to consider the other “commercial” main town centre uses, that is to say offices, leisure development<sup>14</sup> and arts and entertainment<sup>15</sup>.
43. These uses were all, of course, identified as town centre uses in PPS6 so to that extent PPS4 contains nothing new in their classification. What is new however is
  - a. The approach required in the LDF to making provision for these sorts of uses; and
  - b. The approach required in development control decisions in relation to such uses.

## **The Plan Process**

44. PPS4 provides that, in drawing up their development frameworks, LPAs are required to identify a range of sites within town centres to meet the need for main town centres that is likely to arise over the plan period<sup>16</sup>.
45. There are a whole range of factors to which an LPA must have regard:
  - a. Need;
  - b. Appropriate scale;
  - c. A sequential approach to site selection;
  - d. Impact on existing centres; and
  - e. Economic and social consequences

## **Development Control**

46. In development control decisions, PPS4 provides that proposals for main town centre uses which are not in a centre and not in accordance with an up to date plan should be refused unless it has been demonstrated that

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<sup>14</sup> (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls)

<sup>15</sup> PPS4 para 7.

<sup>16</sup> PPS4 Policy EC5.1

- a. The site is sequentially preferable; and
- b. There would be no significant adverse impacts.

Thus, the sequential test and the impacts tests applied to retail, are now applied to commercial development more generally.

- 47. What is striking is that PPS4 now applies the policy concepts that we are used to applying in a retail context to a non-retail context. I shall focus upon the application of the concepts of need, sequential approach and impact testing to non-retail uses.

### **Need**

- 48. Need assessment arises as I have explained in the context of formulating local development framework policies. It is instructive to consider how the retail concept of "need" might be applied in a non-retail context. Traditionally need has been considered in both quantitative terms and qualitative terms.

- 49. The Practice guidance published alongside PPS4 states in relation to quantitative need:

"While it is mainly used in respect to retail needs, the general principles can be applied to many types of leisure provision and other 'town centre' uses"

- 50. At paragraph 3.22 the Guidance states:

"The requirement for new hotels, bars/restaurants, cinemas, bowling alleys, commercial health and fitness clubs and casinos all relate to the level of available spending/demand, and include both quantitative and qualitative considerations. The scope to support existing and new development of these types of uses is ultimately governed by available expenditure and consumer demand. Local planning authorities should consider the scale of new development likely to be supportable and the most appropriate location, and wherever possible proactively plan to accommodate new development."

- 51. So the traditional retail approach is indeed to be applied to leisure development. Appendix C to the Practice Guidance acknowledges that there are difficulties in applying it however because there is:

- a. Less detailed and reliable information regarding expenditure/turnover
- b. Less experience of making such assessments
- c. Greater diversity/change in the leisure sector over time
- d. Greater elasticity of demand

52. The Guidance indicates that any needs assessment must include:

- a. An understanding of the demographic profile of the area, in particular, the age and socio economic profile of the existing population and forecast changes in population, as these are likely to significantly influence the demand for leisure facilities in the area (this information should be no different to retail assessments).
- b. An estimation of the likely expenditure per head of population on leisure activities for the base and forecast/design years, as per retail assessments – using household surveys and other information and research, where possible.
- c. Discussions with the leisure industry about the likely level of demand for leisure facilities in an area.
- d. Assessment of the current level of provision of leisure facilities and benchmarked against levels of provision in similar areas elsewhere, where possible using published data sources.

53. The Guidance also contains a health warning regarding the reliability of the outcome of such need appraisal:

“Because expenditure rates and participation rates are highly elastic it is important to treat any findings from such assessments with caution and sensitivity test them to establish their overall robustness. Similarly, it is important to avoid taking information such as ratios or ‘rules of thumb’ and applying them out of context or placing too much reliance on a single answer.”

54. In other words the results of need appraisal for leisure uses are likely to be highly unreliable.

55. In relation to cinemas the approach advocated in the Practice Guidance is to use Benchmark standards of ratios of cinema screens per unit of population, again acknowledging the unreliability of this as an accurate measure of need.
56. In relation to intensive sport and leisure the approach set out in the Guidance is to calculate additional floorspace capacity requirements for such facilities (public and private) by comparing actual membership levels (i.e. participation rates) within a defined assessment or catchment area with existing membership places that are available. Again, the guidance acknowledges such an approach to be "crude".
57. In relation to casinos, the Practice Guidance indicates that it is possible to adopt a quantitative approach by assessing casino gambling participation across different age-bands. Such information can be applied at local authority level to establish a resident and tourist 'gambling envelope', as was done in North West England for example. The Guidance states however "Such quantitative exercises should however be approached with caution and are at best indicative."
58. It is in relation to offices where the assessment of need may be most difficult. The Guidance explains that the forecasting of office needs is to be driven at the Regional Level:
- "At regional level this should involve forecasting future employment levels in order to inform the identification of broad locations where regionally significant office development may be located. Local need assessments for office floorspace should be informed by regional assessments in terms of the methodology and assumptions employed to assess the need and market demand for new office development and, where appropriate, identify suitable development opportunities in development plans.
- Guidance on assessing the need for office development set out in Guide to Improving the Economic Evidence Base supporting Regional Economic and Spatial Strategies (ODPM, September 2005)."
59. It does not instil confidence to be basing a methodology for assessing need on a document which is about improving the evidence base for decision making. That would suggest that the evidence base is not sufficiently robust to create a reliable methodology. Indeed, the "need" assessment approach in relation to offices is to be based upon forecasts of employment which are themselves necessarily uncertain.

60. Given all of these health warnings in relation to the application of the concept of Quantitative need to non-retail uses, one has to ask oneself what is the point of all of this. No doubt, the application of the need approach will generate a greater amount of work for many planning consultancies and household surveyors, but it adds to the burden of work that LPAs and developers have to undertake, it creates additional delay and additional costs. Clearly, if we are to plan to meet future needs, then it is relevant to consider what those needs might be. But, if the result is in any event information which is inherently unreliable, is it worth it? Only time will tell,

### **Sequential Approach**

61. The sequential approach falls to be applied in both the LDF and development control contexts. But applying it to non-retail uses brings a host of issues that the planning system has yet to grapple with in any meaningful way.
62. The first thing to note is that a sequential assessment (under EC15) is required for planning applications for leisure uses that are not in an existing centre and are not in accordance with an up to date development plan only where the gross floor space of the proposed extension exceeds 200 square metres<sup>17</sup>. It appears however that all office development and all entertainment and cultural uses must be sequentially assessed no matter what size they are.
63. The policy approach is that where sequential assessment is required LPAs should:
- ensure that sites are assessed for their availability, suitability and viability.
  - ensure that all in-centre options have been thoroughly assessed before less central sites are considered
  - ensure that where it has been demonstrated that there are no town centre sites to accommodate a proposed development, preference is given to edge of centre locations which are well connected to the centre by means of easy pedestrian access
  - ensure that in considering sites in or on the edge of existing centres, developers and operators have demonstrated flexibility in terms of:

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<sup>17</sup> Policy EC14.3

1. scale: reducing the floorspace of their development;
2. format: more innovative site layouts and store configurations such as multi-storey developments with smaller footprints;
3. car parking provision; reduced or reconfigured car parking areas;
4. the scope for disaggregating specific parts of a retail or leisure development, including those which are part of a group of leisure units, onto separate, sequentially preferable, sites. However, local planning authorities should not seek arbitrary sub-division of proposals.

64. This brings about a potentially major change to planning policy in respect of office development particularly, To obtain consent for an out of centre office building now requires a demonstration that there is no more central suitable, viable available site that could accommodate such a development. It also requires consideration of the potential for disaggregation of the provision of office floorspace.

65. Intriguingly the Practice Guidance indicates<sup>18</sup>:

“Whilst the sequential approach applies to all main town centre uses, local planning authorities should consider the relative priorities and needs of different main town centre uses, particularly recognising their differing operational and market requirements. For example, a hotel associated with a motorway service area is likely to cater for a distinct market compared to a traditional city centre hotel. Similarly, a town centre office development will serve a different function and market compared to a business park.”

66. Thus it appears that there may be scope to argue that a particular type of commercial development serves a different function and market from similar commercial developments within town centres and so would be inappropriate for a town centre location.

67. I for one am unsure how comfortably this element of the practice guidance sits alongside the policy requirements of PPS4. It seems to amount to argument that what is classified by PPS4 as a main town centre use is not actually a main town

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<sup>18</sup> Practice Guidance para 6.9

centre use. Whereas the policy in PPS4 clearly requires a demonstration that there is no sequentially preferable site for such a use.

68. There is nothing I can find in PPS4 itself that requires LPAs to recognise the different operational and market requirements for commercial development when applying the sequential approach. Either a site is sequentially preferable or it is not.
69. I believe that disaggregation will prove to be a real battleground in relation to commercial development. In particular, the promotion of business parks outside of a centre on a site that is not allocated for that purpose may become very problematic if there are town centre sites that could be developed for office purposes.
70. Similarly the promotion of offices that might be let out on a floor by floor basis could become difficult if there is an argument that a floor might be provided at a more central location. Planning permissions that are obtained on the basis that the whole of a building is required to serve a particular market may become subject to conditions that require them to be occupied by a single occupier. This latter point has obvious implications for the marketability of new build offices in the future.
71. Also of interest for those considering sequential assessment of commercial development is the fact that what constitutes "edge of centre" has a different definition from the retail context. PPS4 defines EoC for retail as a location that is well connected to and within easy walking distance (ie. up to 300 metres) of the primary shopping area. For all other main town centre uses, this is likely to be within 300 metres of a town centre boundary. However there is then a footnote that explains that in relation to Offices:
- "locations outside the town centre but within 500 metres of a public transport interchange, including railway and bus stations, within the urban area should be considered as edge-of-centre locations for purposes of the sequential approach."
72. Does this mean that for offices EoC includes area within 300 metres of the centre and locations outside of the centre but within 500 metres of public transport? Or does it mean the EoC for offices is only those locations within 500 metres of public transport. If it is the latter there may well be locations within 300m of the centre that would not qualify as EoC. There appears to be nothing on the point in the Practice Guidance.

## Impact Assessment

73. Policy EC16.1 of PPS4 provides:

“Planning applications for main town centres uses that are not in a centre (unless EC16.1.e applies) and not in accordance with an up to date development plan should be assessed against” a number of potential impacts.

74. Policy EC14.4 provides:

“An assessment addressing the impacts in policy EC16.1 is required for planning applications for ... leisure developments over 2,500 square metres gross floorspace or any local floorspace threshold set under policy EC3.1.d not in an existing centre and not in accordance with an up to date development plan.”

75. Policy 14.5 provides:

“In advance of development plans being revised to reflect this PPS, an assessment of impacts in policy EC16.1 is necessary for planning applications for ... leisure developments below 2,500 square metres which are not in an existing centre and not in accordance with an up to date development plan that would be likely to have a significant impact on other centres.”

76. Thus, we have the position again that there is a threshold set that excludes the requirement for impact assessment for leisure development below a certain size threshold, but there is not such threshold for office development or entertainment/cultural development. It is however open to LPAs to set their own thresholds for impact assessment through the LDF process. Thus, in the short term until such thresholds come forward office development in particular may be the subject of a significant amount of impact testing.

77. In relation to leisure uses the concept of impact testing may be generally applicable. Difficult to assess given the paucity of data that may be available as to turnover of rival developments but potentially possible to do.

78. In relation to office development however, applying some of the concepts of impacts testing may prove to be more of a challenge. The Practice Guidance acknowledges this:

“In the case of offices and other cultural proposals, it is unlikely that a number of the key impacts set out in policy will be directly relevant (e.g. trade diversion). In such cases, applicants should seek to agree with the LPA which key impacts will be focused on. There may be cases, for example, where a key town centre site is earmarked for a new office quarter, which depends on securing key occupier requirements, where there is legitimate concern that a new development will cause displacement and/or deflect occupier demand to a less central location.”

79. The Practice Guidance contains no advice as to how to go about impact testing an office proposal.
80. Policy requires offices to be impact tested against a number of criteria of which the following are the most relevant:
- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal
  - the impact of the proposal on town centre vitality and viability, including local consumer choice....
  - the impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan
81. Thus the potential impact of new office development out of centre for rents and the rental prospects of existing town centre office space will be a relevant consideration. The potential for new development to impact upon planned town centre or out of centre development in terms of likely occupancy, rental levels, viability will all become relevant. Also relevant may be the extent to which a single landowner controls the level of office rents in a centre if a new proposal would bring competition.

## **Conclusion**

82. PPS4 brings a brave new world to planning for industrial and for commercial development. It introduces new tests and concepts that appear to be difficult to apply to such development. Whilst changes have been made no doubt with the best of intentions, my view is that they bring considerably uncertainty, additional cost and

delay to the process of bringing forward industrial and commercial development in the UK. It seems ironic that Government should introduce policy with this result given that it is seeking to streamline the planning system to make it easier to achieve economic development. The uncertainties in PPS4 are no doubt good for business for lawyers and planners, but as the UK struggles to emerge from recession I remain unconvinced that PPS4 will do much to assist.

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