

Government's response to fourth report from House of Commons Select Committee

House of Commons: Session 1996-97 Environment Committee: Fourth Report: Shopping Centres (Cm3729)

Presented to Parliament by the Deputy Prime Minister and Secretary of State for the Environment, Transport and the Regions by command of Her Majesty, July 1997.

1. The Government welcomes the Select Committee's report on Shopping Centres, which followed up the Committee's 1994 report on Shopping Centres and their Future. The Government is firmly committed to the objectives of PPG6, which seeks to sustain and enhance the vitality and viability of our existing city, town and district centres, to make them the focus for investment, particularly in retail, office, leisure and other appropriate developments, so as to provide easy access to a wide range of facilities and services by a choice of means of transport. Such investment is essential to the regeneration and enhancement of the attractiveness of our town and city centres.

Keeping PPG6 Under Review

2. We recommend that the Department of the Environment keep under review the clarification of Planning Policy Guidance Note 6, with particular reference to interpretations of the terms "suitable" and "available" as they are applied to town centre sites. The Department should act swiftly in the event that Ministers are persuaded of the need to issue such clarification. (Para 10).

3. The Government welcomes the Committee's comments on the introduction of the sequential approach as a tool for site selection for town centre uses, whether in formulating development plans or when developers look for sites. The Government is now concerned that there should be a period of stability for the users of PPG6. The introduction of the sequential approach, although not particularly complicated in concept, is still fairly new to some users, and there is a need for the system to settle in.

4. The Government is not convinced that there are any significant problems which at present require additional advice, but would be prepared to consider this matter again in a year's time. From the evidence of planning appeals, it is clear that there was a transitional period in which proposals developed before the revised PPG6 was published were being assessed against the new advice, and that in these cases the parties had difficulty in applying the sequential approach in retrospect. This was especially the case where a more central site had become available and was claimed to be suitable, but no substantive evidence was presented to the inquiry. The advice in PPG6 is clear that the onus of proof that more central sites have been thoroughly assessed rests with the developer and that the Secretary of State for the Environment, Transport and the Regions on appeal will need to be convinced that this has been done. Where there are rival proposals for more central sites, the onus of demonstrating that these sites are suitable and available will rest with that developer, who should present evidence about these sites to the inquiry.

5. The Government is satisfied that the Planning Inspectorate is not experiencing any real difficulties with interpreting the sequential approach in PPG6. If there are difficulties experienced by local authorities or developers, the Department of the Environment, Transport and the Regions

will be happy to consider them as part of its ongoing monitoring of the implementation of this policy.

6. We recommend that the Department ensure that clarification of its Planning Policy Guidance Notes or Planning Circulars is always made or confirmed through channels having an appropriate status, such as a Written Answer or Ministerial speech, and that such statements are then given wide publicity. (Para 12).

7. The Government agrees with the Committee that clarification of policy should be done formally through media that have acknowledged status. The clarification of policy with regard to cinemas published in September 1996 in Planning Week, in response to a contentious interpretation printed in that journal, was done in that way because of the Summer Recess, the need for urgency and with due regard to the wide circulation it would get. The Government agrees that is not a practice that should be repeated, and that in future all such announcements will be made formally through statements to the House or Ministerial speeches which are appropriately publicised.

Leisure Developments

8. We recommend that Ministers make clear to local planning authorities the tough approach which they expect to be taken to applications for large-scale leisure developments, so that further damage to town and district centres may be avoided. The Department should press for the early conclusion of its research project on leisure development and thereafter Ministers should be prepared to act quickly to amend the present guidance with the objective of seeking to restrict the development of large-scale leisure developments outside existing town centres. (Para 16)

9. The Government proposes to ensure that the approach set out in PPG6 is applied just - as firmly to leisure developments as to retail developments. The Government expects local planning authorities to plan positively for leisure development in their development plans, identifying locations and sites for such developments, following the sequential approach, and, where appropriate, to identify areas where leisure activities can be grouped, such as "leisure quarters" within or on the edge of city centres. In applying the sequential approach, the Government expects local planning authorities to be realistic about the suitability of sites, and expect them to consult closely with the leisure industry in drawing up their proposals whether in development plans or planning briefs.

10. In applying the sequential approach, the Government expects that developers will be flexible about the scale, format, design and amount of car parking, and will try to fit into the local circumstances. Rather than propose developments with a mixture of large-scale leisure uses and a large amount of car parking which can only be accommodated in out-of-centre or even out-of-town locations, the Government will expect developers to demonstrate why they could not develop elements of the larger scheme on sites in more central locations, with less on-site car parking.

11. Large-scale leisure developments will therefore be assessed as proposed in PPG6: in relation to the strategy in the development plan; in terms of their impact on the vitality and viability of nearby town centres, especially in terms of their impact on the evening economy and prospects of investment; in terms of accessibility by a choice of means of transport; and, in terms of impact on overall travel patterns. The Government expects local planning authorities to develop a plan-led approach to planning for leisure and expects both local authorities and developers to apply the sequential approach to site selection.

Shopping Centres

12. Proposals for large-scale, out-of-centre leisure developments should be assessed in accordance with PPG6. Since PPG6 has only recently been introduced and is only just being assimilated by both local planning authorities and the leisure industry, the Government does not propose to change the policy. The Department proposes to invite tenders for research on planning for leisure developments in July, with a view to refining current policy to tailor it more closely to the needs of this diverse sector.

Impact Assessment

13. We call on the Government to insist that full impact studies should accompany all applications for significant retail development, particularly in or around small or market towns. Research on the local and regional impact of new developments should be carried out and published as soon as possible, following which the Government should review its policies to ensure that small and market towns are given adequate protection. (Para 20)

14. The Government has issued advice in PPG6 on the information that should be provided for all retail developments over 2,500 square metres gross floorspace, but recognises that such impact assessments may be necessary for smaller retail developments where they could have a significant impact on a smaller centre, such as a market town. Such assessments should also take into account the impact on town centres in neighbouring authorities.

15. The Department of the Environment, Transport and the Regions has commissioned research on the impact of food superstores on market towns and district centres which should be completed this summer. This should provide guidance on what is the most appropriate approach to impact assessment for such developments and how to interpret their likely impact on such centres. The Government will then consider if there is a need to give further advice on impact assessment.

16. We therefore recommend that, in cases where development proceeds, impact studies should be assessed, so that their accuracy can be reviewed and any necessary action taken to improve future studies. (Para 21)

17. The Government agrees in principle with the need to ensure that impact studies should be carried out in a manner that allows the result to be verified and reviewed. In practice it is unlikely that either the applicant or the local planning authority would have the inclination or the resources to review the accuracy of impact studies undertaken at the application stage.

18. The Government is, however, concerned to improve the standard of impact studies, by improving the methodology and making them more transparent; in order to reduce the amount of time spent debating them at planning inquiries. The current research on the impact of superstores should provide some guidance on possible improvements. The Government will consider, in the light of these results, whether any further research is needed to improve the reliability of impact studies.

19. We recommend that top priority be given to research on the cumulative impact of retail developments. (Para 46)

20. The Government has considered this recommendation carefully, but does not consider that this is a priority issue. If developers and local planning authorities are following the guidance in PPG6 on the location of new retail developments and proposals are being assessed accordingly, this should be less of an issue. Proposals for out-of-centre developments, which might previously have proceeded because of lack of evidence of cumulative effects, still need to follow a sequential

approach in the choice of sites, which means that the assessment of cumulative impacts is not a first-order issue.

Site Assembly in Town Centres

21. We recommend that the Department issue guidance to local authorities on the use of compulsory purchase orders in relation to site assembly in or on the edge of town centres and that it consult with the planning professional bodies and local authorities to determine their training and support requirements and how these might be met. The question of improving their financing, including the operation of partnership arrangements, should also be considered. (Para 26).

22. The Government believes that there is a need to review the use of compulsory purchase orders for site assembly to facilitate a plan-led approach to development, in particular for town centres. As a first step, the Department of the Environment, Transport and the Regions is currently considering a research proposal to assess the current experience with and effectiveness of compulsory purchase orders for assembling town centre sites. Such a research project would help in specifying a wider review of the use of compulsory purchase orders and enable advice to be developed on town centre site assembly to facilitate the regeneration of town centres. The research would consider issues of expertise, resources and partnership arrangements.

Non-Renewal of Planning Permissions

23. We recommend that the Government announce that when existing retail or leisure development permissions granted under the previous PPG6 provisions lapse, any application for renewal will be considered afresh, using the sequential approach set out in the present PPG6. Where work has already started but has not proceeded, careful consideration should be given to use of completion notices. (Para 29)

24. The Government has already issued guidance on the issue of non-renewal of planning permissions in both PPG13: Transport (1994) and revised PPG6 (1996). Local planning authorities, when determining applications for renewal of an existing planning permission that is about to lapse, should determine the application in accord with the up-to-date development plan and, where this has been overtaken, with due regard to the latest Government planning policy guidance. With regard to retail and leisure developments, this will mean that the application should be considered afresh, using the sequential approach. This may mean that applications are not renewed where the proposals do not accord with current policy. Applicants who are refused permission may of course appeal against such a refusal. Where such cases come to the Secretary of State on appeal, he will determine them on the basis of the up-to-date development plan and current Government planning policy guidance.

25. Where a material start has been made to a development but it is not proceeding, a local planning authority has the power to serve a completion notice. If they consider it expedient to do so, they are able to serve such a notice. The Government would expect local planning authorities to be aware of this power should they consider it necessary to use it to resolve uncertainty created by an "indefinite permission" resulting from a material start having been made.

Planning Agreements

26. We welcome publication of Planning Circular 1/97 on Planning Obligations, but are disappointed that an opportunity has been lost to offer guidance on the apportionment of cross-boundary planning gain and recommend that this subject be addressed. (Para 31)

27. The Government welcomes the Committee's general endorsement of the revised DOE Circular 1/97 on planning agreements. This updates and clarifies what types of benefits can legitimately be offered or sought through planning obligations, whilst remaining directly related to the development in question. The issue of benefits being provided in other centres which would be adversely affected by a proposed development, whether or not they are in a neighbouring local authority, needs to be related to the test of whether these benefits are directly related to the development in question. This will need to be assessed on its merits in individual cases. Since this is a matter of applying the tests in the existing Circular, the Government does not consider there is a need for separate guidance on this issue.

28. In the interests of the planning system being perceived as both fair and open, we recommend that copies of planning obligations should be kept in the planning register together with the permissions to which they relate, thus facilitating public access. (Para 33)

29. The Government is committed to a fair and open planning system, in which all parties should be able to know the full basis for planning decisions, including any conditions imposed or obligations agreed in order to make a development acceptable. As a matter of good practice, the Government would expect local planning authorities to put such information on the statutory planning register. Nevertheless, the Government considers that it would be useful to make this a legal requirement, and will introduce legislation to that effect at a suitable opportunity. Meanwhile, local planning authorities should, as a matter of good practice, seek to bring their planning register up to date by depositing existing planning agreements.

Transport

30. The need for a fundamental review of transport policy is growing ever more urgent. However-and as we pointed out in 1994-unless public transport is clean, efficient and affordable it will not offer a genuine alternative to the private car. Of all places, town centres lend themselves to implementation of policies which will provide that alternative, while ill thought-out developments will create even more unnecessary car journeys. Such policies are a joint responsibility of the Departments of Transport and the Environment, and we would like to see the planning system making a greater contribution to them. (Para 36)

31. The Government acknowledges the important linkage between transport and planning policies. It has therefore merged the Departments of Transport and the Environment under the Deputy Prime Minister, and signalled its intention of integrating thinking and decision-making in the two areas. The Government is committed to the development of an integrated transport policy. High-quality public transport services have a central role to play in that process. The Government will work to facilitate this through the encouragement of partnership, between central and local government and between the public and private sectors.

32. The Government believes that to obtain the maximum impact from investment in facilities to make alternatives to the private car more attractive, it will often be necessary to apply complementary measures to restrain private car use in congested urban areas. The Government will encourage local authorities to develop balanced transport strategies, supported by land-use policies, that reduce reliance on the private car while maintaining overall levels of accessibility. Town centres are typically better served by public transport than other locations: that is one reason why the Government is keen to encourage the development and regeneration of town centres.

33. We believe that there is merit in proposals to raise funds from the provision of out-of-town car parking spaces and we recommend that the Government consider either introducing a levy or allowing local authorities to assess car arks for business rates. (Para 39)

34. Parking places are already valued for National Non-Domestic Rates assessment purposes. Where a car park is shared between more than one business, spaces are individually assigned to their occupant; where it serves one business alone, it is included in the assessment of the total curtilage of the premises.

35. Research commissioned by the then Department for Transport and by others does not support the Committee's conclusion that the price of parking is the pivotal factor in determining whether people choose to shop in town centres or out of town. In surveys, shoppers generally rank cost below quality considerations, such as ease of access, proximity to destination and perceptions of personal and vehicle security, when asked to list the factors that they regard as important. Of course, at the same time as making town centre parking more attractive, local authorities should weight their pricing structure and restrictions in favour of short-term stays, to cater for shoppers and social visitors rather than commuters.

36. The issue of car parking is being looked at as part of the Government's fundamental review of transport policy. This review is intended to lead to a White Paper which will set the framework for an integrated transport policy. We will consider the Committee's views as part of that process.

Town Centre Management and Funding

37. We urge the Government to give prompt consideration to the outcome of research into town improvement zones and to be ready to come forward with proposals at an early opportunity. (Para 42)

38. The Government is expecting the results of this research, which has been looking at a voluntary approach to funding town centre management and improvements, later this month. As soon as the final report has been received, the Government will carefully consider its findings.

39. We stand by the recommendation made in our earlier Report, that tax relief should be given on private contributions to approved town centre improvement schemes. Such measures would be potentially of great benefit to some town centres, and if properly administered should be fiscally neutral. (Para 43)

40. The Government will reconsider the question of expanding the entitlement to tax relief in respect of such contributions in the context of considering town improvement zones.

Development Plans

41. Local development plans are a crucial aspect of the new planning regime as it affects town centres, retail development and transport. While it is clearly now too late to retrieve the situation for the present round, steps must be taken to ensure that in future the process works more efficiently. We believe that this would be a suitable matter for an inquiry by our successors in the next Parliament. (Para 48)

42. The Government is committed to the plan-led system, but agrees that the process of getting district and borough-wide local plans and unitary development plans in place has taken too long. The Government would point out that a comprehensive review into ways of speeding up the process was carried out last year jointly with representatives of local authorities, professional bodies, business and environmental interests. A report on the findings of that review and a consultation paper on changes to improve the efficiency of the procedures were published in January. Copies are available in the House Library. Consultations closed on 31 March.

43. The consultation paper put forward a number of options for change. These included:

- the need to revise guidance to encourage the preparation of shorter, more easily understood, plans, specifically through the better promulgation of good practice, and consideration should be given to the possibility of prescribing time limits for all or parts of the process;
- the need to change the procedures by which plans are prepared, including changes to public consultation and the promotion of deposit arrangements which encourage negotiation between objectors and the local planning authority, with the aim of resolving objections before the public inquiry into the plan takes place;
- improving the efficiency of the inquiry by the introduction of procedural rules, to assist Inspectors in more tightly structuring the proceedings, replacing the right for objectors to be heard at the inquiry with the right for objections to be considered, initially in writing, and the adoption of "round table" procedures for discussion of those parts of the plan concerned with strategy and area wide policies; and
- speeding up the final adoption of the plan, either by making the Inspector's recommendations binding on the local authority or the introduction of a simplified procedure for adoption following consideration of the Inspector's report.

44. More than 350 representations were received on the consultation paper. There was overwhelming support for the retention of the plan-led system. but general agreement to the need to tighten procedures. Whilst there was broad support for most of the changes put forward, there were significant levels of objection to the proposals to remove the right for objectors to be heard at the inquiry and to make the Inspector's recommendations binding on the authority. In concluding that neither of these proposals should be pursued the Government has noted that the former would not significantly speed up the process and the latter could give rise to practical difficulties which could result in longer delays. The other proposals for change are being considered further in the light of the consultation response and will now be developed in detail and further announcements will be made in the Autumn. The Prime Minister has made clear that he attaches a high priority to speeding up the planning system, including the preparation and revision of development plans.

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