



## THE NPPF AND ITS IMPLICATIONS FOR THE LOCAL ECONOMY

The National Planning Policy Framework (NPPF)'s stated intention is to reform the planning system in two main directions, making it more localist and more able to boost economic growth. The importance granted to those two aspects is to be seen through the entire document and also influences greatly how the NPPF will impact on local economies. This can be shown in how the policies that can be considered important in promoting a strong and sustainable local economy have changed in the NPPF compared with the previous policy statements.

### HOW THE NPPF AFFECTS LOCAL ECONOMIES

**LOCALISM AND LOCAL ECONOMY:** The intention to empower local communities, providing a framework for local decisions, is clearly expressed in various parts the document such as para. 10 which states that: *"Plans and decisions need to take local circumstances into account, so that they respond to the different opportunities for achieving sustainable development in different areas"*, and again in para. 17 where the empowerment of local communities is presented as one of the principles planning should follow: *"These 12 principles are that planning should: be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area"*. Although this emphasis on local aspects and local decision-making is generally to be welcomed, unfortunately it is not necessarily translated in more opportunities for local communities and authorities to enhance or protect their local economy. The reasons for this outcome are several.

Firstly, as explained by the Commission for Rural Communities (CRC) and by Planning Resource<sup>i</sup>, the assumption of active citizenship on which the NPPF is based doesn't take into account communities' time and money constraints, which threaten their ability to resist to developments that can be negative for their local economy.

Secondly, the Royal Town Planning Institute<sup>ii</sup> (RTPI) underlines how the changes proposed in the NPPF are significant and cannot practicably be assimilated by councils without a properly resourced planning service – a planning service that has been hard hit by the current cuts. The government's idea of reducing all planning policy from 1000 to 50 pages in order to be simple enough for everyone to understand and apply it without professional help, and increasing local control in this way simply does not work. On the contrary, the loss of previous policy has left a vacuum in technical guidance for local authorities, which will now more than ever need experts' advice. Organisations such as the RTPI consider the NPPF has left a hole in technical guidance and a lack of advice which will bring greater risks for local authorities and communities that their plans will be rejected<sup>iii</sup>.

Moreover, the loose language used throughout the document, even in key definitions, is seen as an invitation to those who dislike a planning application outcome to appeal against it. As a consequence there is a fear that the new planning rules will see more applications dealt by way of appeal in the courts<sup>iv</sup> rather than through the planning system, with under-resourced local authorities passing harmful development applications for their economic prosperity in order to avoid appeals and related costs, while well-resourced developers, such as supermarkets, would appeal more readily in order to pursue their proposal.

The short length of the transition period (only 12 months) and the non-existence of any transition arrangements for those local authorities with local plans dated before 2004 deepen the concerns about local authorities' abilities to deal effectively with the new planning system.

**ECONOMIC GROWTH AND LOCAL ECONOMY:** The relationship the NPPF wishes to establish between economic needs and the planning system is clearly explained in para. 19: *"The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system"*. According

to many interpretations and minister's declarations<sup>v</sup>, the NPPF's intention here is to clear away the red tape that in the government's opinion has characterised the UK's planning system until now, and which is supposed to have diverted global businesses investments' to other countries because of difficulties in getting planning permission here.

The changes that the document proposes in order to unblock economic growth result in a more permissive planning system that whilst removing some barriers that also affect small businesses will still skew the balance further in favour of bigger competitors away from local businesses and endangers the local supply chains they form and support, therefore potentially harming local economies.

Para. 14 is a good example of how far the importance granted to economic growth has gone in creating a much more permissive system and how this is going to impact local economies. The paragraph presents the presumption in favour of sustainable development as "*a golden thread running through both plan-making and decision-taking*", thus implying that the planning system has to lean towards guaranteeing development permissions whenever is possible. In fact, local authorities are invited to decline development proposals only if "*any adverse impacts of doing so would significantly and demonstrably outweigh the benefits*".

In this way the NPPF urges local authorities to approve developments not taking in consideration if they are actually needed and if they are going to have an overall positive effect on their local economy. This, coupled with the need for the evidence against developments to be incontrovertible and to be produced by local authorities (which are under-resourced as already mentioned) can easily lead to the approval of developments of such dimensions and characteristics that they could be harmful even for prosperous local economies, and which would pass only because of local authorities' difficulties in unquestionably proving their damaging effect.

The paragraph goes on to impose on local authorities where local plans are "*absent, silent or relevant policies are out of date*" the obligation to grant permission to developers unquestioningly. Thus having a local plan dated before or after 2004 is going to be one of the greater factors in determining how local authorities across the country will deal with development proposals after the NPPF.

On the other hand it seems that the few local councils with an up-to-date plan will have increased control over the planning process, thanks to the local plan becoming the 'keystone of the planning edifice', as Greg Clark put it<sup>vi</sup>, and to the NPPF's reduced prescriptions on plan contents. The resulting local plan-led and unrestrictive system allows local councils and communities the opportunity to establish their own independent and locally relevant strategy, enabling them to be innovative, to be responsive to community wants and needs, and to proactively engage with development proposals they have identified as desirable and to resist those that are unwanted. While experts from the RTPI and TCPA<sup>vii</sup> seem to share the opinion that the local plan-led-system proposed by the NPPF increases local democratic control over planning applications for those local authorities ahead, they foresee a different scenario for those who are lagging behind.

In fact, the impact on the 70% of total local authorities that (according to a 2010 Communities and Government study) don't have an up-to-date plan will be completely different. They will have no choice but to approve planning applications if they match the rules outlined in the NPPF, even if they are against their own local agenda, economic needs and priorities, and without the community involvement that is meant to be a principle of the Government's planning agenda.

On one hand it is possible to argue, as many did<sup>viii</sup>, that this gives the required push for the less proactive local authorities to finally get an up-to-date-plan. Some planning consultants<sup>ix</sup> believe that the 12 months provided as a transition period are enough for drafting an up-to-date plan, which would then guarantee local control over development proposals.

On the other hand it is important to remember that many local planning authorities are seriously under-resourced and that the changes proposed by the NPPF are considerable; so the transition period will not be sufficient without adequate support for those local authorities. The resulting impression is that the NPPF severely challenges the ability of local authorities with an out-of-date plan - which is the majority - to resist

unwanted developments, and quoting the RTPI's president "*that economic growth has been given the trump card in the small print*"<sup>x</sup> at the expense of local control.

## **POLICIES RELATING TO LOCAL ECONOMIES AFFECTED BY THE NPPF**

**RETAILING, 'TOWN CENTRE FIRST' POLICY AND TOWN MARKETS:** The interest demonstrated by the NPPF in the future of town centres is very important in determining the relationship of the new planning system to local economies. In fact the future of town centres is linked with the future of many local retail shops that thanks to their "multiplier effect" positively contribute to local economies.

All of section 2, entitled "*Ensuring the vitality of town centres*" advocates that local authorities allocate town centre and edge-of-centre sites to meet retail, leisure and office needs in full, generally enshrining the superseded PPS4's principles. The section opens with the promising statement that "*Planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period*"(para. 23), and in para. 24 re-proposes the PSS4 tough sequential test that is a useful barrier defending high street shops from big out-of-town retail developments, in this way at least testifying the intention of the NPPF to direct new commercial investments towards revitalising the nation's town centres. In fact, the NPPF proves to be concerned for the future of town centres, as shown by its supporting many Mary Portas recommendations for local action"<sup>xi</sup>, and by its commitment to town centres "viability", "vitality", promotion of their individuality. Hence as several planning consultancies have commented"<sup>xii</sup>, even if the document could have been harder with supermarkets, it hasn't granted them a green light for unhindered expansion.

On the other hand, the government refused several proposals that would have achieved a stronger form of protection for high street and independent shop survival, such as for all out-of-town developments to require sign-off by the secretary of state, as proposed by Mary Portas, or to urge local authorities to cap retail outlet floor space or to allocate a percentage of all retail floor space to independent retailers and small or medium businesses, as suggested by Friends of the Earth"<sup>xiii</sup>. The proposals were refused in the name of localism, but according to the Grocer Magazine"<sup>xiv</sup>, it should be taken as a sign that, with two thirds of all new-build activity driven by the supermarkets, the government doesn't want to challenge them. As explained in the section above, the NPPF's intention was not to increase but to decrease the planning system's red tape in order to support the economy. This relationship between the need for economic growth and the planning system, summarised in the presumption in favour of sustainable development, actually weakens the "town centre first" approach; in fact the aim to presume in favour of development undermines the government commitment to town-centre over out-of-town development. The "town centre first" approach clearly clashes with the "default answer to development is yes" imposed on local authorities without up-to-date plans.

So without a clear statement in national policy that it is town centre retailing that is sustainable and that "town centre first" should be more powerful than the presumption in favour of sustainable development, local authorities will constantly be ending up in the appeal courts"<sup>xv</sup>: a prospect that as already mentioned would lead local authorities to authorise harmful development proposals. Supporting the idea that supermarkets are not going to be overly affected by the town policies introduced by the NPPF are the comments of the "big four's" lawyers. For example, one of Sainsbury's planning consultants claimed that in the worst case the NPPF policies were going to be neutral to their future expansions while other planning consultants and lawyers involved with big firms and supermarkets believe that in general the new framework means more possibilities for permissions to be granted"<sup>xvi</sup>.

Likewise the intention to "*retain and enhance existing markets or create new ones*" stated in para. 23 appears quite weak, and despite the important role town markets play in local economies, the NPPF is not going to change the trend that sees three quarters of them stagnating or in decline"<sup>xvii</sup>.

In conclusion, because of the presumption in favour of sustainable development, ambiguous language, and in some cases the unbalanced relationship between local authorities and developers, the NPPF actually proposes a weaker policy for town centres than the previous PPS4.

**TRANSPORT:** Transport and its sensible use has a role to play in sustainable local economies such as ensuring all sections of a community have access to jobs and services, reducing poverty and promoting more cohesive communities. Transport benefits from and impacts on a wide range of planning policies. In the case of the NPPF one positive contribution in terms of minimizing the need of travel - a crucial policy for strong local economies and sustainable communities - is made by the “town centre first” approach which by ensuring development takes place centrally minimises journeys. By similar means, transport policies can support and protect local businesses; for example, para. 33 stating that *“Plans and decisions should take account of whether... safe and suitable access to the site can be achieved for all people”* could make more difficult for car-based out-of-town supermarkets to be developed because of the 25% of the population<sup>xviii</sup> not owning a car would have difficulty accessing the site. Also para 35 stating that *“developments should be located and designed where practical to accommodate the efficient delivery of goods and supplies [...] have access to high quality public transport facilities”* could support the “town centre first” approach and therefore contribute to creating a fairer relationship between local businesses and larger competitors.

Despite these positive points, the NPPF’s brief, two-page section on sustainable transport seems less able than the previous PPG13 to effectively deliver the potential positive impact the transport system can have. In fact, even if the general principles remain the same, with Transport Statements and Transport Assessments required for all developments that generate significant movement (para. 33), and with emphasis is given to the production of Travel Plans, the NPPF fails to define what constitutes a significant amount of movement, making the refusal of developments that weaken local economies and accessibility such as sprawl and out-of-town developments more difficult.

In addition, the NPPF lessens the previous policy commitment to ‘reduce the need to travel’ using a weaker wording. For example, in para. 34 it limits to *“developments that generate significant movement”* the necessity to be *“located where the need to travel will be minimised”*. Once again in para. 35 a policy stating that *“facilities should be located within walking distance”* has the catch-all caveat *“where practical.”*

In particular, the end of para. 32 claiming that *“development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe”* strongly disables the NPPF’s effectiveness in minimising the need for travel and thereby the positive effects transport policies could have in empowering local economies.

**BROWNFIELD DEVELOPMENT:** Brownfield development is a policy that can enhance local economies and communities through its potential to stop urban sprawl, create local jobs and a more cohesive community; it is often connected with urban regeneration policies. Brownfield development’s emphasis on using previously developed and therefore often more central sites often has the effect of ensuring that co-dependent services such as residential and businesses are developed close to each other, providing in this way more compact, localised communities and thereby reducing the need to travel which is crucial to quality of life and sustainability.

The NPPF quotes brownfield developments among its core principles in para. 17, and in para. 22 urges local authorities to *“avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose”*, according to DTZ consultancy planning<sup>xix</sup> in this way removing one common obstacle to brownfield development.

However, the document proposes a weaker brownfield policy than previous policies such as PPS3. Previous policy statements required that local planning authorities prioritised the development of suitable brownfield land for new developments before greenfield sites were considered, and fixed a national target for the redevelopment of brownfield sites. In contrast, the NPPF deletes any target for the redevelopment of brownfield sites and is less restrictive as to when greenfield sites can be considered. Thus it doesn’t constitute a ‘brownfield first’ approach to development but merely encourages the reuse of brownfield sites.

Meanwhile para. 173, stating *“the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is*

*threatened*” reinforces developers’ most commonly used argument against reusing already developed land, namely that greenfield sites are preferable to brownfield because the latter are too expensive to develop.

In conclusion the NPPF makes it harder to local authorities to deliver brownfield development, and thereby to deliver types of development that would be positively integrated with existing infrastructure and with the local economy.

**DISTRIBUTION OF ECONOMIC GROWTH THROUGH THE COUNTRY:** The NPPF misses an important opportunity to address economic centralisation in the south-east of the country. As stated by the RTP1<sup>xx</sup>, It fails to present a vision of economic development for the entire UK and doesn’t recognise the different impacts policies are going to have in different parts of the country. By failing to take this opportunity, the NPPF doesn’t address the many problems related to south-east centric development, such as the impossibility of satisfying the area’s housing need within the area itself and the related increase in travel needs and exclusion.

Not only does the NPPF fail to solve this trend, but by promoting a more market-led system it actually reinforces the spiral that concentrates developments in area of economic growth and economic growth in areas already developed, thereby increasing south-east centric development and its related problems.

This intention of the NPPF to guarantee more power to the market in the planning system, (stated in the core principles “*Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities*”) has negative consequences not only for the south-east itself but for other areas. Requiring local authorities to pay attention to land prices, the NPPF condemns areas of deprivation, thereby with low land prices, to be systematically overlooked.

**ECONOMIC DIVERSITY AND LOCAL DISTINCTIVENESS:** Economic diversity and local distinctiveness are essential and related features in ensuring a resilient economy, equipped to cope with crisis, and in creating a feeling of belonging in people. These two aspects have usually been overlooked by the planning system and the NPPF is not an exception.

Indeed, the document mentions explicitly local distinctiveness only briefly in para. 60 in relation to architectural style, thus referring only to the physical characteristic of local distinctiveness and failing to address the social and economic one.

In the same way, economic diversity is not properly considered. Although it was largely absent also in the previous policy, economic diversity was quoted regarding rural economic growth in para 2.9 of the PPS7, which stated that “*the agriculture sector is encouraged [...] to contribute towards rural economic diversity*”. On the contrary, the NPPF never directly mentions economic diversity, and regarding rural economic development it doesn’t go further than to suggest land diversification. Economic diversity is anyway envisaged in the document, but only in relation to retail and to the town centre in para. 23 under the name of *individuality of town centre*. Similarly in the PPS4 it was referred only to town centres as *diversity of character of town centres* (para. F).

However, in retaining previous policies aimed to protect the green belt, the NPPF indirectly promotes economic diversity and local distinctiveness in some way. Among green belt’ functions, particularly important are maintaining economic investments in the local area and preserving local characteristics.

**HOUSING AND MIXED COMMUNITY:** Mixed income housing areas have an important role in the creation of strong local communities and economies. Mixed communities are directly mentioned in para. 50 of the NPPF that states that local authorities should “*plan for a mix of housing based on the needs of different groups in the community*”, and “*identify where affordable housing are needed, in order to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities*”.

Particularly encouraging is the end of this paragraph which argues that affordable housing should be provided according to the objective of creating mixed and balanced communities. Equally promising for the creation of mixed communities is section 8, which recognises *“the role of the planning system in facilitating social interaction and creating healthy, inclusive communities”*. The NPPF is keen on the creation of new settlements or expanding existing ones following “garden cities” principles, and planning for mixed income community is an important principle for garden cities.

Nevertheless the NPPF diminishes the planning system’s ability to promote social inclusion compared with the previous policies. For instance, PPS1 mentioned explicitly that one of the goals of development plans was to *“reduce social inequalities”* (para. 16) and PPS4 urged local authorities to use the possibility to increase social inclusion as one criterion in identifying development sites; whereas these terms are completely absent in the current policy framework.

The NPPF’s ability to deliver more mixed income housing is also endangered by its weakening of the definition of affordable housing, making it unlikely to accommodate the housing needs of those unable to afford market housing. The NPPF doesn’t mention that affordable housing should: *“meet the needs of eligible households including availability at a cost low enough for them to afford, determined in relation to local incomes and local house prices”* as the previous PPS3, but links affordability only with local prices and income. Finally, greater uncertainty comes from the fact that targets are no longer set, and therefore it is left to local councils’ commitment and resources to provide them.

## CONCLUSION

In conclusion, due to its commitment to the localism cause and to the economic growth, the NPPF seems less able than the previous policy statements to protect and foster local economies. This is clear from comparing policies connected with local economies’ status in the NPPF and in the previous planning system.

A first glance comparison of NPPF’s policies against the previous policies statements reveals a general similarity between the two, with the main principles and, to a certain extent, even the wording used, largely retained in the NPPF. But because of the condensing of many planning policies into few pages, the language used is more ambiguous and many important guidelines that ensured the proper delivery of the policies have been lost.

A huge factor in undermining the ability of the planning system to support local economies is played by the primacy of economic growth. The policies examined that could have supported local businesses or could have created a positive environment for their multiplier effect were instead mediated by what are supposedly ‘the needs of economic growth’. The creation of a more permissive planning system itself threatens the already weakened capacity of small and medium sized businesses to compete with bigger players.

The NPPF’s aim to empower local authorities and local communities through a greater control over local planning is also drastically trimmed down by a lack of effective resources. This could have the contrary effect of actually decreasing local communities’ control over development approvals, and thereby result in developments that are harmful to local economies being approved. Additionally, in the name of localism the NPPF has refused to set goals or to clearly indicate a way of action to local authorities, which has weakened many key features of policies important for local economies.

Therefore the ability of the planning system to enable flourishing local economies seems to be weakened. Not only does the NPPF fail to introduce new policies directed at small and medium sized businesses, but generally it weakens several policies that previously had the potential to protect and enhance local economies.

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