

Draft PPW Chapter 7 – Supporting the Economy

7.1 Objectives

7.1.1 For planning purposes the Welsh Government defines economic development as development of land and buildings for activities that generate wealth, jobs and incomes. Economic land uses include the traditional employment land uses (offices, research and development, industry and warehousing), as well as retail, leisure, and public services. It is essential that the planning system considers, and makes provision for, the needs of the entire economy and not just those uses defined under parts B1-B8 of the Town and Country Planning Use Classes Order. Particular policies on other economic sectors are also found elsewhere in Planning Policy Wales: in relation to Retail and Town Centres (Chapter 10); Tourism, Sport and Recreation (Chapter 11) and Infrastructure and Services (Chapter 12).

7.1.2 The planning system should support economic and employment growth alongside social and environmental sustainability. To this end, the planning system, including planning policies, should aim to ensure that the growth of output and employment in Wales as a whole is not constrained by a shortage of land for economic uses. Planning authorities should aim to facilitate the provision of land that the market requires, except where there are good reasons to the contrary. In addition, wherever possible planning authorities should seek to guide and control economic development to facilitate regeneration and promote social and environmental sustainability. In so doing, they should aim to:

- Co-ordinate development with infrastructure provision;
- Support national and local economic policies and strategies;
- Align jobs and services with housing, wherever possible, so as to reduce the need for travel, especially by car;
- Promote the re-use of previously developed land; and
- Deliver physical regeneration and employment opportunities to disadvantaged communities.

7.1.3 In applying these and other considerations, planning authorities should aim to steer economic development to the most appropriate locations, rather than prevent or discourage such development.

7.1.4 Effective planning for the economy requires planning authorities to work strategically and co-operatively steering development and investment to the most efficient and most sustainable locations, regardless of which local authority area they are in. In addition, travel-to-work patterns do not necessarily respect local authority boundaries and it is essential that planning authorities identify and make adequate provision for their role in the regional and sub-regional economies of Wales.

7.2 Planning for Economic Development

7.2.1 Planning policies for economic development must provide developers and others with scope to make choices to secure the efficient and effective use of resources including land. Development plans and development management decisions should take account of European, national and local economic and development policies. Realistic assumptions should be made about the resources (including financial and natural environmental resources) likely to be available for putting planning policies and proposals into effect. Plans and decisions should also be based on up-to-date and locally specific evidence which demonstrates the suitability of the existing employment land supply in relation to the locational and development requirements of business. As part of the process of establishing a local evidence base, planning authorities should undertake, and keep under review, an Employment Land Review which is relevant to prevailing market conditions and the requirements of the Development Plan. Further guidance on the preparation and use of Employment Land Reviews will be provided by a new TAN (forthcoming) *Planning for Economic Development*, which will explain how to gather the necessary evidence for development plan preparation. In line with the Welsh Government's policies for encouraging co-ordination and joint working between local authorities, planning authorities should, wherever possible, work with each other, and with relevant economic fora, in order to prepare Employment Land Reviews on a sub-regional basis but in a way which allows individual planning authorities to identify their own land banks.

7.2.2 Planning authorities are required to ensure that the economic benefits associated with a proposed project are understood and that these are given equal consideration with social and environmental issues in the decision-making process, and should recognise that there will be occasions when the economic benefits will outweigh social and environmental considerations.

7.2.3 In seeking to promote economic development planning authorities should consider all relevant policy options including the use of **Simplified Planning Zones**¹ and **Local Development Orders**² in order to facilitate and simplify the planning process for enterprises in their area. These mechanisms will be of particular significance for those local authorities which have **Enterprise Zones**.

7.2.4 Mixed use development should be promoted in, and adjoin, existing settlements, where appropriate. Policies and supplementary planning guidance should support mixed use developments, including flexible workplace / dwellings and commercial premises, where these are appropriate.

7.3 Promoting diversification in the rural economy

7.3.1 Many commercial and light manufacturing activities can be located in rural areas without causing unacceptable disturbance or other adverse

¹ Technical Advice Note (Wales) 3 Simplified Planning Zones 1996

² Local Development Orders [Forthcoming]

effects³. Small-scale enterprises have a vital role in promoting healthy economic activity in rural areas, which can contribute to both local and national competitiveness. New businesses in rural areas are essential to sustain and improve rural communities, but developments which only offer short-term economic gain may not be appropriate.

7.3.2 While some employment can be created in rural locations by the re-use of existing buildings, new development will be required in many areas. New development sites are likely to be small and, with the exception of farm diversification and agricultural development to which separate criteria apply, should generally be located within or adjacent to defined settlement boundaries, preferably where public transport provision is established. However, some industries may have specific land requirements which cannot be accommodated within settlements. The absence of allocated employment sites should not prevent authorities from accommodating appropriate small-scale rural enterprise in or adjoining small rural settlements. The expansion of existing businesses located in the open countryside should be supported provided there are no unacceptable impacts on local amenity.

7.3.3 Planning authorities should adopt a positive approach to development associated with farm diversification in rural areas, irrespective of whether farms are served by public transport. While initial consideration should be given to adapting existing farm buildings, the provision of a sensitively designed new building on a working farm within existing farm complexes may be appropriate where a conversion opportunity does not exist.

7.4 Promoting the green economy, business and technology clusters and social enterprises

7.4.1 Planning authorities should support the shift towards a green economy by encouraging the development of clusters of industrial and commercial uses deriving environmental benefit from co-location, especially through the development of waste stream technologies and practices (i.e. eco-industrial networks). They should look favourably on proposals for new on-site energy generation including high efficiency energy recovery from waste, as well as generally facilitating the provision of an integrated network of waste facilities, provided that there are no unacceptable impacts on local amenity.

7.4.2 Planning authorities should also seek to support the development of innovative business and technology clusters. Development plan policies need to identify potential networks and cluster areas, making clear the criteria used to categorise them and the links to policies relating to the creation of the transport, environmental and telecommunications infrastructure needed to support such networks.

7.4.3 Planning authorities should take into account the possibility that certain kinds of businesses may be especially important in providing opportunities for social groups disadvantaged within the labour market. Whether this is the case can only be determined by analysis of the circumstances in particular

³ Technical Advice Note 6 Planning for Sustainable Rural Communities 2010

places at particular times, and will need to be kept under review and should be factored into the local evidence base.

7.5 Development Plans and the economy

7.5.1 Development plans should:

- Reflect work with neighbouring authorities and other relevant stakeholders to plan strategically for employment land provision;
- Be underpinned by an up to date and appropriate evidence base to support policy choices and land allocations for economic development;
- Using this evidence base, as far as is practicable set out an economic vision for the area, including a broad assessment of anticipated employment change by broad sector and land use;
- Provide targets on land provision for the employment uses (Classes B1-B8), showing net change in land/floorspace for offices and industry/warehousing separately
- Include policies relating to future development on existing employment sites to protect them from inappropriate development:
 - To encourage the regeneration and re-use of sites which are still suitable and needed for employment
 - To control and manage the release of unwanted employment sites to other uses
- Seek to provide the right amount of land and qualitative mix of sites to meet the market demand for economic development uses;
- Propose specific locations for those necessary industries which are detrimental to amenity and may be a source of pollution;
- Seek to promote and facilitate development that will deliver physical regeneration;
- In safeguarding existing sites and providing new sites, prioritise sites that deliver appropriate job and training opportunities to disadvantaged communities;
- Concentrate development that attracts large numbers of people, including retail and offices, in city, town and village centres;
- Include criteria-based policies to deal with development not specifically allocated in the development plan and help respond to unexpected change;
- Include policies on the scope for new economic development in and adjoining rural settlements, and identify suitable sites. In remote rural areas and smaller settlements a criteria based approach should be considered;
- Include policies encouraging farm diversification and new rural development opportunities;

- Identify protection zones around establishments that hold hazardous substances and protect the ability of existing establishments to operate or expand by preventing the incremental development of vulnerable uses in the vicinity of such sites.

7.6 Development Management and the economy

7.6.1 Planning authorities should adopt a positive and constructive approach to applications for economic development. In determining applications for economic land uses, authorities should take account of the likely economic benefits of the development based on robust evidence. In assessing these benefits, key factors include:

- The numbers and types of jobs expected to be created or retained on the site;
- Whether, and how far, the development will help redress economic disadvantage or support regeneration priorities, for example by enhancing employment opportunities or upgrading the environment;
- A consideration of the contribution to wider spatial strategies, for example for the growth or regeneration of certain areas.

7.6.2 Planning authorities should look favourably on applications for economic land uses which are not in accordance with the development plan if the economic benefits of the development are demonstrated to outweigh any adverse impacts.

7.6.3 When considering planning applications which have economic development potential, planning authorities should seek the views of all relevant local authority departments, and particularly from Economic Development Officers as this can assist in the identification of economic benefits.

7.6.4 Employment and residential uses can be compatible and planning authorities should have regard to the proximity and compatibility of proposed residential development adjacent to existing industrial and commercial uses to ensure that both amenity and economic development opportunities are not unduly compromised.

7.6.5 Establishments that hold hazardous substances have an important role in the economy. When considering the location of new development for hazardous substances, authorities should ensure appropriate separating distances are maintained to manage the risks of a major accident on the environment, including people. Consultation with the statutory bodies is essential.

7.6.6 Planning authorities should adopt a constructive approach towards **agricultural development proposals**, especially those which are designed to meet the needs of changing farming practices, or are necessary to achieve compliance with new environmental, hygiene or welfare legislation. In addition

they should adopt a positive approach to the conversion of rural buildings for business re-use⁴.

⁴ Technical Advice Note 6 Planning for Sustainable Rural Communities