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To: Members of the Overview/Scrutiny - Economy Committee
(Councillors: Iain Chubb, Trevor Cope, Malcolm Florey,
Graham Godbeer, Ben Ingham, John Jeffery, Stuart Luxton,
Bob Peachey, Tim Wood, Steve Wragg).

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Meeting of the Overview/Scrutiny - Economy Committee

Thursday 3 September 2009 – 6.30pm

Council Chamber, Knowle, Sidmouth

Members of the public are welcome to attend this meeting.

- A period of 15 minutes has been provided to allow members of the public to raise questions.
- In addition, after a report has been introduced by the relevant Portfolio Holder and/or officer, the Chairman of the Committee will ask if any member of the public would like to speak in respect of the matter and/or ask questions.
- All individual contributions will be limited to a period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of group.
- The public is advised that the Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time.

A hearing loop system will be in operation in the Council Chamber.

Visitors please note that the doors to the civic suite (meeting rooms) will be opened ¼ hour before the start time of the meeting. Councillors are reminded to bring their key fobs if they wish to access the area prior to that time.

AGENDA

1. **Public question time** – standard agenda item (15 minutes)
Members of the public are invited to put questions to the Committee through the Chairman.
 - Each individual questioner exercising the right to speak during this public question time is restricted to speaking for a total of 3 minutes.
 - Councillors also have the opportunity to ask questions of the Leader and/or Portfolio Holders during this time slot whilst giving priority at this part of the agenda to members of the public.
 - The Chairman has the right and discretion to control question time to avoid disruption, repetition, and to make best use of the meeting time.
2. To confirm the minutes of the meeting of the Overview/Scrutiny – Economy Committee held on 11 June 2009.

4 - 6

3. To receive any apologies for absence.
4. To consider any items, which, in the opinion of the Chairman, should be dealt with as matters of urgency because of special circumstances.

(Note: such circumstances need to be clearly identified in the minutes; Councillors please notify the Chief Executive in advance of the meeting if you wish to raise a matter under this item. The Chief Executive will then consult with the Chairman).

5. To agree any items to be dealt with after the public (including the press) have been excluded. There are no items that the officers recommend should be dealt with in this way.

- | | | | |
|----|--|---|--------|
| 6. | Business Tenants' Survey | Nigel Harrison, Economic
Development Manager | 7 - 19 |
| | To consider a Business Tenants' Survey prepared by West Devon BIP. | | |

Petra Davis from West Devon BIP will be present to talk to this item.

- | | | | |
|----|---|--|---------|
| 7. | Rural Enterprise Development – Review of the Council's business support programme July 2007 – March 2009 | | 20 - 25 |
|----|---|--|---------|

To consider the review of the Council's business support Programme July 2007 – March 2009.

Stewart Horne from West Devon BIP will be present to talk to this item.

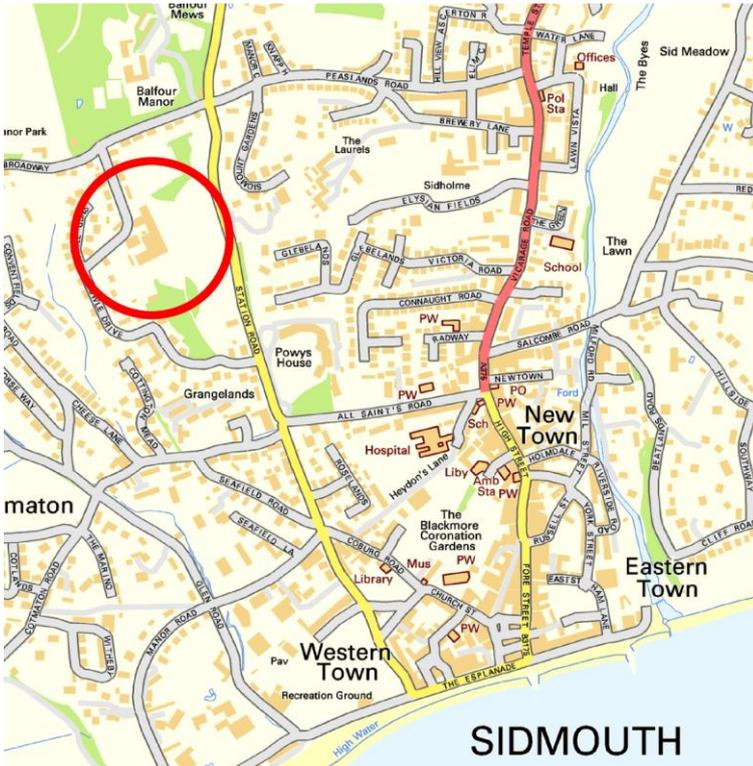
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|----|---|---|---------|
| 8. | Consultation Paper on a new Planning Policy Statement 4: Planning for prosperous economies | John Maidment
Policy & Conservation
Manager | 26 - 37 |
|----|---|---|---------|

To consider the report that first went to Development Management Committee on 28 July 2009.

Members remember!

- ❑ You must declare any personal or prejudicial interests in an item whenever it becomes apparent that you have an interest in the business being considered.
- ❑ Make sure you say the reason for your interest as this has to be included in the minutes.
- ❑ If your interest is prejudicial you must leave the room unless you have obtained a dispensation from the Council's Standards Committee or where Para 12(2) of the Code can be applied. Para 12(2) allows a Member with a prejudicial interest to stay for the purpose of making representations, answering questions or giving evidence relating to the business but only at meetings where the public are also allowed to make representations. If you do remain, you must not exercise decision-making functions or seek to improperly influence the decision; you must leave the meeting room once you have made your representation.
- ❑ You also need to declare when you are subject to the party whip before the matter is discussed.

Getting to the Meeting – for the benefit of visitors



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From Exmouth, Budleigh, Otterton and Newton Poppleford – 157

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From Exeter – 52A, 52B
From Honiton – 52B
From Seaton – 52A
From Ottery St Mary – 379, 387

Please check your local timetable for times.

The Committee Suite has a separate entrance to the main building, located at the end of the visitor and Councillor car park. The rooms are at ground level and easily accessible; there is also a toilet for disabled users.

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

Visitors please note that the doors to the civic suite (meeting rooms) will be opened ¼ hour before the start time of the meeting. Councillors are reminded to bring their key fobs if they wish to access the area prior to that time.

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Economy Overview and Scrutiny Committee held at Knowle, Sidmouth on 11 June 2009

Present:

Councillors:

Iain Chubb (Chairman)
Trevor Cope (Vice Chairman)

Malcolm Florey
Graham Godbeer
Ben Ingham

John Jeffery
Bob Peachey
Tim Wood

Officers:

Karime Hassan – Corporate Director
Nigel Harrison – Economic Development Officer

Also Present

Councillors:

Paul Diviani
Christine Drew
Jill Elson
Steve Hall
Peter Halse

Andrew Moulding
Helen Parr
Tony Reed
Pauline Stott
Graham Troman

Apologies:

None given.

The meeting started at 6.30pm and ended at 8.15pm.

The Chairman welcomed everyone to the first meeting of the Economy Overview and Scrutiny Committee.

***1 Public question time**

There were no questions from the public raised at this point of the meeting.

***2 Economy Overview and Scrutiny Remit**

The Committee was timetabled to meet five times per year, and the broad remit covered:

- Recession recovery
- Town services
- High street future
- Skills and training
- School provision for leavers and achievers
- Further education provision
- Property based decisions
- Local government association issues

Members of the Committee discussed the work involved within the broad remit, and the commitment needed to help facilitate actions to achieve the remit. A new approach was needed, with Members acting as both enablers and facilitators, to assist the local economy.

Members debated the following themes:

Town Managers

- Consider asking existing Town Managers to a future meeting, to discuss their role, successes achieved, and barriers to be overcome. The example of the positive work in Brixington was given;
- Consider a joint approach to Town Management so that some towns could share a Town Manager and costs.

Business growth and development

Members gave some local examples of how work had been done during the last recession in bringing businesses together and how important it was to get people back into work. They discussed:

- The impact of empty shop premises on each town;
- Accessing existing data and research;
- Talking with Chambers of Commerce where set up in local areas, to establish their concerns, at a time and place convenient for them or at invitation to Committee meetings; to also include other groups that cover agriculture and other industries in the area;
- Signposting where local businesses can get help;
- Consider scrutinising the agency responsible for inward development, such as the Heart of Devon or Devon County Council;
- Review small business unit demand;
- Planning issues that may arise;
- Adequate IT and communications infrastructure to support business

Clarity on the Council's role in education

Work including citizenship involvement with both primary and secondary schools could be enhanced; and work experience reviewed in the light of less opportunities for trainees/apprentices and general interest in careers in local government. Members agreed that this was a valid issue but could be considered later in the work programme.

Local Government Association

- Attendance at LGA Annual Conference to be considered;
- Councillor Christine Drew reminded Members that she was the Council's representative on the Local Government Association General Assembly and therefore would be happy to take back any issues the Committee wished to raise with the LGA.

***3 Work Programme 2009/10**

Members agreed that focus should be on priority areas within the remit, the aim being to work on a few issues to reach results, rather than look at many issues but not reach satisfactory conclusions.

Positive links with the relevant Portfolio Holder were also key, as was the link with the Member Champion for Business, who was also a member of the Committee. The service plan for Economic Development would become a regular item to ensure close monitoring.

Future agendas should contain between two and three items to allow work to progress and to allow in-depth debate.

***3 Work Programme 2009/10 (continued)**

Consultation with the Council's commercial tenants would be completed and reported back to the Committee at its next meeting, to give some indication of the impact of the recession on small businesses. Work would also be done to map out a structured means of communicating with the local Chambers of Commerce and other related groups for the next meeting, including managing their expectations.

The agreed priorities for the work programme were:

- Business growth and development
- Business infrastructure and support services
- Recession impact on Market Towns including reviewing Town Manager role
- Skills and training
- Information Technology development and network for businesses

Chairman Date.....



East Devon District Council Business Tenants Report

**Prepared by
Petra Davies**

**Of
Business Information Point
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1. Executive summary

The aim of this survey was to gather quantitative and qualitative data from East Devon Business tenants and provide an overview of the findings to East Devon District Council (EDDC).

The three key areas for investigation were:-

To determine how businesses were trading during the current economic climate.

To seek feedback as to the service received from their landlords, EDDC.

To identify what businesses felt would benefit them in terms of support.

Additionally the exercise was hoped to provide a positive PR exercise whereby EDDC were seen to be proactively seeking their tenant's feedback on how they could be better serviced.

2. Introduction and Methodology.

A contact list of tenants was provided by EDDC for the Honiton Mini-Sites (Heathpark), Marpool Workshops (Exmouth), Manstone Workshops, Sidmouth Millwey Rise Workshops (Axminster), Budleigh Salterton Workshops and Riverside Workshops (Seaton).

EDDC forwarded a letter to each of the tenants on 22.05.09 (attached) that BIP then proceeded to contact by telephone from Thursday 28th May 2009. The objective of the phone call was to introduce the purpose of the exercise and make an appointment for a face to face visit, during which the business owner would have opportunity to discuss their experience as a tenant, and also provide feedback as to their overall trading situation. Information on services available to businesses would also be provided by BIP during the course of the meeting.

The number of tenants on the contact list totalled 40; however, the maximum number of respondents, i.e. those still actually trading from the workshops, was 36.

Although all tenants were visited during the course of visits, the emphasis was focused on the most convenient means for the business to provide information, whether this is during site visits, pre-arranged appointments, by telephone or through returning the survey in a stamped addressed envelope.

Although 4 of the tenants initially declined to take part in the survey, 1 went on to complete the survey during a site visit, a second then made an 'anonymous' contribution by telephone, and a third provided feedback in general over the course of the telephone call.

9 tenants did not respond despite a series of contacts (records have been kept of the frequency, dates and times of contact), and were not available at site visits. In most cases copy letters and surveys were forwarded by post but despite 'friendly reminders' were not returned.

A further 9 tenants had follow up/ site visits with a South West Manufacturing Advisor (SWMAS) and Business Information Point Advisor (BIP).

3. Survey documentation (*see appendix 1*) the survey documentation was produced by BIP.

4. Results of the survey

The total number of business that participated in the survey were 26, the breakdown in the legal status of the businesses were;

36%– Ltd Company

12% – Partnership

52% – Sole Trader

5. Length of time Businesses had been trading

The average amount of time businesses had occupied the units were 10.2 years. The overall view was that 'affordable units of this size were gold dust in East Devon, and once you were in, you stayed in'. Tenants generally had not chosen to buy due to lack of availability of suitable units/ cash flow.

6. Number of employees

88% of tenants employed 1-5 staff; the majority of which were self employed and did not employ staff. 4% employed 5-10, and 8% employed 50+ (in the cases were + 5 staff were employed, the unit was used as storage for a retail outlet, or was a site rented for vehicle storage and was not the main business premises).

7. Sectors which Businesses operate in

Predominantly businesses were tradesmen 40%, retailers 28%, 16% mechanics and engineers 8% specialist other, 4% manufacturers and 4% transport

8. Primary Business Aims & Objectives

When asked what their main objective was for the next 12 months, 64% responded it was to stay in business/ survive/ make profit, 24% were seeking to expand/ take on a larger unit, 4% were looking to employ more staff, 4% to diversify into other sectors and 4% were seeking to sell their business

9. How will objectives be achieved?

The response as to how they intended on achieving their business objectives for the next 12 months was that 4% replied 'you tell me!', 14% intended on launching a marketing campaign/ winning new contracts, 8% were to set up e-commerce websites, 34% were focused on maintaining word of mouth referrals by offering good customer service, 8% were looking to make cut backs to improve efficiency, 4% were focused on industries not effected by the recession, 4% looked to find a buyer for their business, 20% were seeking to expand through finding more affordable workspace and 4% by securing capital for expansion.

10. Factors affecting the business achievement of goals

Factors affecting the businesses achieving their objectives were: 11% suffered from 'industry specific issues', 19% blamed consumer confidence, 7% fierce competition, 4% lacked the time to spend on a marketing campaign, 22% felt the lack of affordable units would hamper expansion, 15% were concerned by the lack of visitors to the area, 4% found difficulty in finding a suitable supplier, 7% not being paid by insolvent customers, 7% lacked the capital for expansion and 4% felt there was a lack of support.

11. What would help business to prosper over the next 12 months

The one thing, other than a cash boost that would help businesses was as follows: 24% wanted an improvement in the economy and increase in customer spending, 19% identified more housing, regeneration and improved parking as a means to increase business, 5% felt increased footfall by having trading businesses occupy units, and not have them used for storage, 20% felt more affordable and appropriate units would help them, 2% thought eliminating 'cowboys' was an answer, 2% suggested more time, and 19% felt that impartial advice/ general support and mentorship would benefit (follow up appointments made where appropriate).

12. Does the business have a strategy to survive the economic downturn?

72% of businesses had a basic strategy in place (these were in the owners heads rather than a formulated plan) to help survive an economic downturn where 18% hadn't.

Strategies businesses had in place were as follows: 52% had reviewed stock levels, cut costs, and looked to improve efficiency through flexible working, 4% had pooled resources with another business, 16% had diversified/ offered more services, 4% had looked to sell their business, 4% had made staff redundant, 4% had offered staff incentives, 4% had carried out marketing campaigns and 12% had 'upped' their level of customer service.

13. Has the business already experienced a reduction in turnover?

64% of businesses reported a reduction in turnover as a result of the economic downturn where as 36% said they had not been affected.

Of those who reported a reduction in turnover, 6% suffered a 0-10 percent reduction, 44% experienced a 10-20 percent reduction, 12% a 30-50 percent reduction, and 38% a 50- 75 percent reduction.

14. What measures have been put in place to project against the recession?

14% intended on launching a marketing campaign/ winning new contracts, 8% were to set up e-commerce websites, 34% were focused on maintaining word of mouth referrals by offering good customer service, 8% were looking to make cut backs to improve efficiency, 4% were focused on industries not effected by the recession, 4% looked to find a buyer for their business, 20% were seeking to expand through finding more affordable workspace and 4% by securing capital for expansion.

15. Business forecast over next 12 months

Over the next 12 months, businesses forecast that 52% would see a decrease in turnover, 20% predicted overall turnover would remain the same and 28% forecast a growth due to expansion.

16. Has the business had to reduce staff hours

12% of businesses had to reduce staff hours as a result of the decrease in turnover, where as 88% had not reduced hours; this was mainly due to the high proportion of sole traders taking part in the survey. Also three businesses had introduced more flexible working without actually cutting hours.

17. Has the business had to recruit staff to manage increased turnover

Only 1 business from those surveyed had recruited extra staff to manage increased turnover, however a further 3 businesses hoped to recruit more staff over the next 12 months as part of an expansion programme.

18. Has the business changed its marketing strategy as a result of down turn.

56% of businesses had increased their marketing activity. 25% had put more activity into securing new contracts, 14% had developed / were in the process of developing e-commerce sites and 61% sought to increase their competitiveness by providing more services, and increasing levels of service to encourage more word of mouth referral.

19. Has the business experienced an increase/decrease in competitors?

12% of businesses had noticed an increase in the number of competitors in their sector, 40% said they had less competition than before and 48% reported no change in the number of competitor businesses.

20. Has the business sought advice as a result of downturn?

When asked if they had sought advice as a result of the downturn 40% responded yes, whilst 60% responded no. Of those who had sought advice and support, 10% was from 'other' sources, 20% from their accountant, 10% relied on market intelligence and trade information, and 60% was as a result of site visits by BIP/ SWMAS. One business commented that if someone could tell him where to get more customers, then that would be useful.

21. Has the business taken advantage of the Government funded Initiatives?

Following advice from BIP, one business went onto seek advice on funding through the Enterprise Finance Guarantee initiative offered by BIS, otherwise help and support had not been sought by businesses through Government funded initiatives.

22. Has the business been unable to access funds from their bank?

When asked if they, as business owners had experienced difficulty / been unable to access finance from the bank, 80% responded that they hadn't tried/ hadn't needed to/ didn't think they'd be able to, 16% said they had been refused finance and 4% said they had no problem. However, the 4% who had been able to access finance had not been able to do so at the competitive rates previously offered.

23. Conclusion

Overview of the Current Trading Picture.

Approximately two thirds of businesses surveyed had suffered a decrease in turnover as a result of the downturn in the economy, half of which noted a decline of 10-20% on the previous financial year. However, the high proportion of sole traders indicated that on the whole business had been quick to react and change strategies in a basic sense, where as the significantly larger businesses with higher overhead/ staff costs had more long term/ strategic decisions to make.

Over half the businesses classed themselves as being 'trades people' / or working in mechanics. Those in construction related businesses had experienced the most significant reductions in turnover, and appeared to have been affected earlier on in 2008 than other trades.

General feedback indicated that the most difficult trading period to date had been the last quarter of 2008, due in the most part to a lack of consumer confidence. 2009 seemed to have experienced a gradual improvement in consumer spending. Overall, half the businesses taking part in the survey predicted an overall decrease in turnover over the next 12 months, a third forecast an increase in turnover due to planned expansion and the remainder forecast that over the course of the year their turnover would remain on a level with the last financial year.

Aside from the decrease in consumer spending, tenants reported other factors that had affected business performance, one of which was of a geographical issue.

A number of residents in the Riverside Workshops, Seaton reported a drop in trade due to the decline in the footfall to the compound. The reasons discussed were the closure of the Racal Factory and more recently Lyme Bay Holiday Camp, resulting in the impression that this part of the town was now redundant. One resident commented that footfall had also decreased owing to the number of units that were now empty due to businesses ceasing to trade, as well as units housing businesses which neither employed staff, nor had the intention of attracting visitors to their premises. Confidence was also affected by the proposal to relocate the workshops to Harepath in the long term, however, there had not been any communication regarding this matter recently from EDDC leading to a feeling of

limbo. It was suggested by one tenant that new roadside signage may increase visitor's confidence to visit.

Similarly, there were concerns at the Manstone Workshops that footfall to the relating retail outlets were being affected by access issues, mainly caused by the lack of affordable parking in the town. Two businesses surveyed questioned the move to build a swimming pool on the public car park; although it was noted that the public pool had been in situ a number of years it was still felt to be restricting visitor numbers. Concern was also mooted regarding the proposal to pedestrianise the town.

As mentioned throughout the report, businesses ability to expand and become more profitable in the current climate was being restricted by the lack of affordable and appropriate business units and workshops in the district.

Only one business surveyed perceived that local planning restrictions as having a significant effect on turnover:

“EDDC are extremely unhelpful when it comes to obtaining pavement licenses for scaffolding jobs. For example, we have been told by Brian Hoare (Highways) that jobs on the High Street HAVE to go up and be stripped on Sundays only- so we have to put extra money on to cover wages, only to find when we have been beaten on price, the other scaffolding firms seem to be able to put them up any day of the week. We have lost literally dozens of contracts because of this. Also EDDC now require 10 working days notice for a licence, hence some customers now do it themselves off ladders etc.”

Occupation of the Workshops.

As stated, the survey concluded the average amount of time a tenant had occupied a workshop/ unit was found to be 10.2 years. Considering the purpose of the units was intended to be incubation units for new businesses this would appear not to be the actual function.

It became apparent through the course of the survey that tenants were keen to retain their premises on the basis of affordability, functionality and location. The general feel was that more of these types of premises were required, and that expansion had been hampered in certain cases due to a lack of suitable workspace.

One of the largest employers / businesses taking part in the survey only agreed to do so, on the basis that EDDC would receive a direct request from Bales to provide additional hard standing for their increasing fleet of vehicles.

Generally tenants had not gone on to purchase business premises due to cash flow, a lack of appropriately priced, sized and located premises, and the convenience of their current location.

Added to the above, EDDC generally had an extremely good reputation as Landlords, in one case being awarded '11 out of 10'. The reason given was that businesses were not interfered with, and that general maintenance and up-keep was good. One long standing tenant admitted that much as though he now traded on a very low key basis, he still retained his site and felt entitled to do so as he always paid the rent on time.

Rob Spears and Ian Page were named as being particularly helpful over the years.

However, much as though the lack of intrusion by East Devon District Council was seen as a positive in some respects, others felt there was a clear lack strategy as to who/ which types of business were permitted to rent the units. Examples cited were workshops being used for storage only; in two cases by tenants who did not live/ work in the District. It was also commented that preference should be given to businesses with the potential to provide employment, who would also generate extra footfall to the location to benefit other business in the estate / compound over those using the facility as a 'lock up'.

Support to Businesses

The following suggestions were offered in response to the question as to what EDDC could be doing better to support their tenants.

The first was to provide more of the types of units / workshops currently available to allow businesses to expand, as well as permit currently home- based businesses to branch out into more suitable accommodation.

Naturally there were suggestions with regard to financial concessions, such as freezing rent and rates. A sole trader operating in the construction sector also predicted that he may have to revert his business to being home based to save on the cost of his workshop, however, the concern was that he would not be able to afford the three month notice fee. The tenant therefore suggested that in the light of the current economic climate, and the demand for the workshops, that EDDC consider a one month notice period.

One long established business also recommended that grant funding, business rates and planning decisions be based on more 'holistic factors' than currently. Examples of the criteria to be considered were the amount of local employment generated, and need the business met within the local agricultural/ business community. This particular business operated in a very low margin niche, with very few other service providers being prepared to operate in this sector because of low profit margins.

Although EDDC had a very good reputation for ongoing maintenance of the workshops, teething problems following initial occupancy in the case of two businesses had taken a significant amount of time and effort on the part of the tenants to resolve. Examples included falsely advertising the availability of three phase electricity, security issues, and a six month delay in repairing a sky light which only took half a day to complete.

Security was felt to be an ongoing issue that had not been resolved in the Millwey Rise workshops. Although there had previously been break ins which had cost EDDC £3k to repair one particular rear entrance to a unit, as well as installing new fencing around the compound there was still no CCTV in place, or lock on the front gates. There was grave concern that the farming machinery and motorbikes housed within the compound were a magnet for local children once businesses had gone home for the evening, and could potentially be an accident waiting to happen.

In terms of general business support, it was highlighted in the survey that generally, prior to site visits by BIP and MAS, businesses had not actively sought business advice despite the challenging trading environment.

Reasons for not doing so are summarised as follows:

- They needed regeneration in the area, not advice on how to run their business. Factors beyond the control of the business, i.e. the economic climate would not change no matter how much support and advice the business was given.
- Sole traders did not feel that generally business support was aimed at / or appropriate for them.
- Businesses felt they were long established / experienced enough to be 'beyond help'.

However, comments from the survey forms identified that a number of businesses had benefited from the site visits, and that this was due in most part to the 'convenience' of the service being offered. Personal introductions by advisors had reaped positive outcomes that had not been achieved by introductory telephone calls.

24. Issues for discussion

1. EDDC review the practice of the units being used for storage purposes, given this appears to be reducing potential custom for the other tenants.
2. The length of tenure that is occurring does not create an opportunity for new business start up. Is the lack of alternative workspace in the district causing this log jam or is it that the rent levels (low) mean businesses stay as long as possible. EDDC to look at their contracts with tenants to determine how movement could be encouraged. It could be that alternative premises are too large given the councils stock is in the main, less than 1000 sq ft in size.
3. That where a business is seeking quit a premises due to difficulty in trading conditions EDDC consider a relaxation on 3 months notice.
4. Use of publicly funded business support was low prior to this survey, the proactive nature of this survey has benefited the majority of the businesses contacted, EDDC to consider how future support can be delivered.

Rural Enterprise Development East Devon

July 2007- March 2009

Introduction

Business Support and Training Organisations in East Devon

Business Link (B/L)- Solutions for Business

1. BL offer an Information, Diagnostic and Brokerage service for businesses, this comprises a one to one meeting or telephone conversation to analyse the businesses enquiry, from this an action plan is drawn up with possible referrals' to potential deliverers. This service has recently commenced in East Devon with clinics being offered at Honiton every two months. Each clinic assists 4/6 businesses.
2. For people thinking about starting or with businesses under 12 months of age B/L offer a series of ½ and 1 day workshops. These are held every couple of months in Exeter centres.
3. On going mentoring and support will become available for "High Growth" businesses, through the ERDF funded High Growth Coaching Service currently being tendered by the SWRDA, eligibility for this is the potential to grow to £250,000 -£500,000 turnover in 12 months.

Train to Gain

Funding for training for NVQ and management training is available through the Learning and Skills Council. The service is accessed through brokers employed by Business Link. The management training is limited to businesses that employ over 5 employees. Delivery of training will be through organisations like East Devon College and Bicton, these tend to focus on vocational qualifications for the care sector and service sectors as well as the 19-25 age bracket.

Business Information Point (BIP)

BIP has been operating as an Enterprise Agency in Devon for 16 years, offering business support, training and consultancy to rural businesses throughout the South West under various programmes.

To ensure that BIP continually improves it's delivery the company is accredited under a number of quality standards. Investor in People status has been held for 8 years with 3 successful assessments by Quality South West. Processes and audit systems are authenticated through a ISO 9001/2000 system which is subject to six monthly audits. Recently BIP passed a two day assessment for "matrix" the national standard for information, advice and guidance, being one of only two enterprise agencies operating in the South West to gain this recognition.

All the trainers are SFEDI assessed and are qualified NVQ assessors.

Support for Micro Businesses (under 5 employees)

There is limited support for this size of business which comprises the majority of the business stock in East Devon. Apart from the B/L offer which comprises the diagnostic and brokerage model there is no funded on going mentoring and business management

training available to small businesses. Private consultants operate in the district, however these tend to operate in a different model to BIP. BIP's ethos is to empower business owners by teaching them the skills that reduce their need for support in the future. The numbers of businesses in the area are such that with limited resources it is only possible to support a small % of the businesses at any one time, being able to move on rather than becoming a "prop" is very important.

Rural Enterprise Development

The concept for the project was developed following the successful delivery of a similar project in West Devon, Torridge and North Devon. The original plan was that existing business support organisations would deliver the activity, HODEA and South Devon Enterprise Agencies with BIP acting as the managing contract holder. However during the application phase HODEA ceased trading and following discussions with EDDC EDO Nigel Harrison it was agreed BIP would deliver in the district. During the life of the project Enterprise South Devon also ceased trading and BIP were forced to pick up the delivery in the Teignbridge District at short notice.

Project Delivery

The project offered businesses two elements of support in Mid Devon, East Devon and Teignbridge. The following targets were set;

1. Workshops that delivered generalised business support to a minimum 315 businesses and represent initial engagement, as well as the facility for detailed business needs diagnosis and training/support brokerage;
2. Intensive business support for 63 businesses with potential for productivity improvements determined through the detailed business diagnosis undertaken within the first element of the project.

The workshops offered business advice and training incorporating the following subject areas:

1. Sales and Marketing;
2. ICT in Business;
3. Business Planning;
4. Business Finance;
5. Business Management;
6. Environmental Management;

The outcomes from the project were increased skills within the participating businesses, which will lead to job creation opportunities.

Examples of workshops delivered in East Devon

Date	Workshop title	Venue	Speakers & Deliverers	Marketing
19.02.2009	Getting your website in the top ten of Google	East Devon Business Centre	Deborah Turner- BIP	Distribution of newsletters via WOM and Blackdown Hills Association
24.02.2009	<p>Working together event for food producers & accommodation providers</p> <p>The objective of this event was to allow tourism businesses to source local produce for their businesses, and small local food producers to find new outlets for their products.</p>	Wallace's Farm Shop	<p>Graeme Wallace – Wallace's Farm Shop Adrian Innocent – Helpful Holiday Catherine Broomfield – Blacklake Farm Val Grainger – The Woolly Shepherd</p>	Distribution of newsletters & flyers via Blackdown Hills Association, East Devon Business Forum, East Devon Business League, Business Link Claire Edgecombe for inclusion on their website and e-alert, Penny Bond Business Link, Julia Reed Devon Farms Group, DCC Food database provided by Kathryn Edwards, as well as extensive follow up telemarketing campaign
26.02.2009	<p>On-line selling for accommodation providers</p> <p>This event allowed small independent accommodation providers to share in the on-line marketing tactics employed by large and successful businesses in the South West.</p>	East Devon Business Centre	<p>Simon Tregoning – Classic Cottages Jacqui Gulliford – Classis Cottages Matt Bowkett – ex SW Tourism now Eviivo</p>	Distribution of newsletters via Blackdown Hills Association, East Devon Business Forum, East Devon Business League, Claire Edgecombe Business Link for inclusion on their website and e-alert, Penny Bond Business Link, Julie Reed Devon Farm Groups, TIC's in east & Mid Devon, Sidmouth Hospitality Association, Visit Devon membership via Nicola Poultney, mail shot to Marketsafe database of B&B businesses as well as extensive follow up telemarketing campaign

date	Workshop title	Venue	Speakers & Deliverers	Marketing
11.03.2009	Smarketing (smart marketing for small businesses) Run in collaboration with Blackdown Hills Association		Catherine Broomfield – Broomfield Solutions	BIP was involved to register attendees as new RED clients
18.03.2009	Smarketing part 2 (as above)		Catherine Broomfield – Broomfield Solutions	Via Blackdown Hills Association and Business Link
	Event to identify new small local businesses for two hour surgery sessions		Geoff Birch Joe Glanfield Jeremy Filmer-Bennett EDDC – Re: business rates Hugh Croad – Moda Design & Marketing	Orgained in partnership with Exmouth Town Manager, Tony Collins at Devon Cliffs Exmouth
	Working Together presentation on how small businesses can provide products and services to Devon Cliffs, the largest local business / employer			FSB, EDDC, Business Link, Exmouth Chamber of Commerce, Exmouth Business League, Exmouth Town Council local mail shot
24.03.2009	Working together event for food producers and accommodation providers	Lakeview Manor	David Kittow Adrian Innocent Donna Lucking Val Grainger – The Woolly Shepherd	via distribution of newsletters and flyers/ Blackdown Hills Business Association/ East Devon Business Forum/ East Devon Business League/ Claire Edgecombe Business Link/ Penny Bond Business Link/ Julie Reed, Devon Farms Group/ DCC Food database provided by Kathryn Edwards/ on-line directories/ extensive follow up telemarketing campaign.

Results

Complete Project (East Devon, Mid Devon and Teignbridge Districts)

Workshops- 83 workshops have been held with 561 attendees

At project completion we supported 304 businesses with a total of 417 individuals.

302 businesses have been assisted to improve their performance against a project target of 315.

69 businesses have been supported in marketing, product development and business development plans against a target of 63.

61 businesses have achieved SME Assisted status (3 days of intensive assistance) against a target of 63.

Evaluation

Participants that receive support whether through intensive support or workshop attendance are asked for their feedback through an anonymous evaluation form.

Intensive Support Results

80% said they had increased skills, 20% reduced costs, 62% increased sales, 70% improved systems, and 26% improved cash flow, 94% of those surveyed said they would use BIP again.

Workshop Results

94.5% of workshop attendees rated the workshops as Excellent or Good, 94.5% rated the presentations and training as excellent or good. 80% said they would recommend BIP to others.

Here are just some of the responses from participants

- "I will be re-thinking huge areas of my business now" – Marketing and Labelling with Catherine Broomfield, Hoop Associates
- "Have taken some ideas away to implicate in my own business" – Marketing Trends in Rural Tourism with Annette Cole, South West Tourism
- "Greater understanding of what is possible to do re websites and the confidence to do it" – Optimising Your Website with Deborah Turner, BIP
- "Has made me focus on what I need to do to improve my business" – Breakeven to Profitability with Graham Sindle, Thomas Westcott
- "Very useful and informative – hope my computer will now have more years of life" – Maintain the Performance of Your Computer with Deborah Turner, BIP
- "Will be more confident in selling to retailers and will have a defined pricing structure in place and a concise sales pitch" – Selling At the Coal Face of Your Business with Catherine Broomfield, Hoop Associates
- "Use telephone marketing to find out who to send information to and also as a follow up to mailings" – The Art of Telephone Marketing with Deborah Turner, BIP
- "Looking into ways of keeping my business going successfully forward in this current climate" – Cracking the Credit Crunch with Catherine Broomfield, Hoop Associates
- "Save a lot of money by doing my marketing materials myself" – Creating Marketing Materials with Deborah Turner, BIP

East Devon Results

167 businesses have engaged with the support from RED, 38 businesses have been supported in marketing, product development and business development plans, 35 businesses have received 3 days of intensive support. 293 training sessions have taken place in East Devon.

We are aware of 6 new full time equivalent job creations in East Devon.

Funding

The final funding package for the project covering three local authority districts, Mid Devon, Teignbridge and East Devon totalled £211,000 to cover a two year period, following delays in receiving approval from Devon Renaissance the project delivery period was shortened to 21 months.

Devon Renaissance provided the bulk of the funding, £100,000, Teignbridge DC, £24,000, East Devon DC, £84,000, and £5000 from local businesses that used the services of the project.

District	East Devon	Teignbridge	Mid Devon	Unit Value	Total
Businesses Supported	167	73	64		304
Business receiving 3+ days support	35	10	16		61
Hours 1:1 Support	1366	285	539	£66	2190
People Recruited	232	97	88		417
Training places	330	97	134	£100	561
Jobs Created	6	0	0	£15000	
Public Funding	£113,000	£48,000	£45,000		206,000
Value ££ by District	£213,156	£28,510	£48,974		290,640

Value for Money

East Devon have provided £82,000 as matched funding for the project, this has drawn a further £31,000 in Devon Renaissance funds to support the East Devon Businesses. Of these funds £2823 were spent with East Devon District Council for hire of rooms at the East Devon Business Centre.

Using Unit values that are comparable to payment rates for Business Link consultants and training costs acceptable to other publicly funded training events (Natural England, SWREG, Duchy College VTS) the project has provided a cost effective delivery mechanism. The six jobs created from project activity in themselves, using SWRDA figures of £15,000 per job created (a total of £90,000), demonstrates that the project has delivered good value for money.

Additional Support Activity for East Devon Businesses from BIP

Further to the support described previously BIP have been supporting the agricultural sector through a project part funded by Devon Renaissance, Natural England and BIP's own resources. 68 businesses have been supported with business planning support, environmental support, and computer and marketing training. The environmental support will generate an additional £50,000 of income annually for the next five years.

Future Activity

The success of the RED project and ongoing demand from businesses in the light of difficult trading conditions means that BIP are seeking to develop a future project. The availability of funding through the Making It Local (Local Action Group) and the Economic Challenge Fund, to add to local authority and businesses own contribution has seen BIP Manager Stewart Horne working on two bids for funding. The Economic Challenge Fund has verbally offered funding for a combined project covering two LAG areas, this would be worth £14,000 in the Making it Local area. The initial project proposal submitted to the Making it Local has been approved and a full application will be submitted in the last week of May. The project is intended to continue the successful model developed under RED with the addition of an element of certificated training and assessment, all business sectors employing 5 and under will be eligible for support. Business owners will be asked to continue to contribute to the costs of the project but a contribution from EDDC would complete the funding package.

In the interim period, April to July 2009 the BIP advisor in East Devon is continuing to support businesses as they require and is undertaking a consultation exercise with EDDC tenants to gauge the effects of the economic downturn on their future prospects.

Agenda Item

Development Management Committee

28 July 2009

JFM



Consultation Paper on a new Planning Policy Statement 4: Planning for Prosperous Economies

Summary

This report advises Members of the publication of a Government Consultation Paper on a New Planning Policy Statement (PPS) 4: Planning for Prosperous Economies and provides a basis for a formal response to that document

Recommendations

Communities and Local Government be advised that:

1. The council welcomes:
 - i. The recognition in the draft PPS4 of the need for the planning system to support the economic aspirations of both urban and rural communities.
 - ii. The Government agreement with the key finding of the Matthew Taylor MP's review of rural housing and economy that we need a more subtle appreciation of what makes rural areas sustainable as is the recognition that economic sustainability is a prerequisite for social and environmental sustainability in both urban and rural contexts.
2. The Council's response to the specific questions asked in the consultation paper be as set out in Appendix 1.

a) Reasons for Recommendation

So that members can comment on the draft Planning Policy Statement

b) Alternative Options

Members could amend or make different comments from those recommended.

c) Risk Considerations

Not commenting on the draft statement would mean that the Council's views would not be taken into account by Government in preparing the final version of PPS4.

d) Policy and Budgetary Considerations
Not applicable

e) Date for Review of Decision
Not applicable.

1.0 Background

Introduction

1.1 The Consultation Paper which is the subject of this report seeks views on combining all National Planning Policy Statements (PPSs) on economic development – in urban and rural areas, and town centres – into a single ‘consolidated’ PPS.

1.2 The Consultation Paper takes forward a number of important Government commitments, which were originally set out in the White Paper: Planning for a Sustainable Future (May 2007), including:

- Proposals for ‘... a more strategic, clearer and more focused national planning policy framework ...’
- A commitment to the re-enforcement of national planning policies in respect of economic development, and
- A commitment to improve the effectiveness of town centre planning policies.

1.3 The Consultation Paper draws together into a single statement previous draft consultations on a New PPS 4: Planning for Sustainable Economic Development (2007) and Proposed Changes to PPS 6: Planning for Town Centres (2008).

1.4 The Consultation Paper which is the subject of this report envisages that the PPS now proposed would replace the following:

- Planning Policy Guidance (PPG) Note 4: Industrial and Commercial Development and Small Firms (1992)
- PPG Note 5: Simplified Planning Zones (1992) (... to be re-published as Practice Guidance)
- PPS 6: Planning for Town Centres (2005)
- The economic development elements of PPS 7: Sustainable Development in Rural Areas (2004), and
- Selected parts of PPG Note 13: Transport (2001).

Proposals

1.5 The Ministerial Statement accompanying the publication of the Consultation Paper highlights the need for the planning system to support the economic aspirations of both urban and rural communities. The Statement emphasises the need for development plans to have clear, proportionate and flexible policies aimed at supporting the start up and growth of businesses. It emphasises the need to protect existing investment in our cities and towns by safeguarding the town centres, which are the bedrock of our economic future. The Government agrees with the key finding

of the Matthew Taylor review that we need a more subtle appreciation of what makes rural areas sustainable. Further, that economic sustainability is a prerequisite for social and environmental sustainability in both urban and rural contexts.

- 1.6 Important policies proposed for inclusion in the new PPS are (briefly summarised) as follows:

From the Consultation Paper on a New PPS 4 (2007):

‘... considering planning applications for economic growth favourably unless there is a good reason to believe the costs outweigh the benefits. Developing plans that take account of long term economic benefits, including the wider regional and national economy such as job creation, and promoting opportunities to regenerate deprived areas and support business diversification in rural areas.’

From PPG 5 (1992):

‘... encouraging local authorities to make full use of the planning tools available to them to simplify and speed up the planning process, such as creating simplified planning zones.’

From PPS 6 (2005):

‘... promoting the vitality of town centres, consumer choice and retail diversity. Removing the ‘needs’ test, which requires developers to show there is need for their proposal. Retaining the sequential test, which requires developers to seek the most central sites first, and a tough ‘impact test’ which assesses proposals against economic, social and environmental criteria so that councils can assess its impact on the town centre in reaching their decision.’

From PPS 7 (2004):

‘... provide for sustainable economic growth in keeping with the need to protect the countryside. This responds to a key recommendation from Matthew Taylor MP’s review of rural housing and economy.’

Good Practice Guidance will be published separately.

- 1.7 The text of the proposed PPS includes, inter alia, individual Sections concerned with the following:

1.8 What is Economic Development? The proposed PPS clarifies the scope of the terms ‘economic development’, ‘main (town centre) uses’, and ‘town centres’ (or ‘centres’).

1.9 The Government’s Objectives for Prosperous Economies. These can be summarised as follows:

- To achieve sustainable economic growth
- To raise the productivity growth rate of the UK economy
- To build prosperous communities by improving economic performance, promoting regeneration and tackling deprivation
- To deliver more sustainable patterns of development and respond to climate change issues

- To promote high quality and inclusive design
- To improve accessibility to existing or new development
- To promote the vitality and viability of town and other centres, and
- To promote social inclusion.

1.10 Plan Making Policies: This Section of the proposed PPS is discussed under the following headings:

1.11 Using Evidence to Plan Positively (Policy EC 1):

- The proposed PPS emphasises the importance of a robust evidence base (... in helping to understand the needs of existing businesses and likely changes in markets).
- The evidence base should underpin Development Plan policies throughout a Local Authority's (urban and rural) area.
- The evidence base should inform decisions on planning applications.
- The proposed PPS itemises individual components of the evidence base at the local level, including: detailed employment land needs; reviews of land supply for economic development; the need for additional floorspace for main town centre uses; the capacity of centres to accommodate new development; and deficiencies in floorspace provision more generally (... together with opportunities to remedy such deficiencies).
- The proposed PPS itemises (quantitative and qualitative) components of the need for retail and leisure development.
- The proposed PPS considers evidence base issues bearing on the provision of 'new office development of local importance'.

1.12 Local Planning Approach to Economic Development (Policy EC2): The proposed PPS indicates that, through their Local Development Frameworks (LDFs), Local Planning Authorities should:

- Positively and proactively encourage sustainable economic growth in urban and rural areas '... based on a clear and proactive locally specific economic vision and strategy.'
- Make full and effective, appropriate use of available planning tools – such as Simplified Planning Zones – to simplify the planning process
- Prioritise suitable previously-developed land for re-use – setting out criteria-based policies. Consider the need to identify a range of sites, in order to facilitate a broad range of economic development (including mixed use)
- Support existing business sectors and make necessary provision for 'clusters or networks of knowledge-driven industry.'
- Where appropriate, plan to secure benefits that can arise from new business development which is compatible with neighbouring businesses or with other neighbouring developments
- Facilitate 'live/work' or 'home working' arrangements
- Ensure that site allocations for economic development are not 'carried forward' to new Development Plans without evidence of need and a reasonable prospect of take-up
- Encourage new uses for vacant or derelict buildings ... and

- Seek to make the most efficient and effective use of land and buildings.

The proposed PPS indicates that LDFs should contain policies which:

- If appropriate, plan for new or emerging sectors – but maintain policy flexibility as far as the accommodation of sectors not anticipated in the plan are concerned.
- Make provision for a broad range of ‘business types’ – and consider how such a portfolio would be delivered
- Set out evidence-based policies for the delivery of sustainable transport and other infrastructure considered necessary to support economic development ... and
- Identify, protect and promote key distribution networks, and locate or co-locate developments which generate substantial freight movements in such a way as to minimise carbon emissions. Such networks and developments should be in sustainably sited locations.

1.13 Local Planning Approach to Town Centres (policy EC5): The proposed PPS indicates that Local Planning Authorities should, through their LDFs/by way of their Core Strategies, set out a spatial vision and strategy for the management and growth of the centres in their area. As part of that vision and strategy, they should:

- Define a network and hierarchy of appropriate (non-Regional Spatial Strategy) lower order centres (... to meet the needs of their catchments and ensure that people’s everyday needs are met locally)
- Make choices about which centres will accommodate any identified growth. Address deficiencies in the network – in the manner indicated in the proposed PPS
- Ensure that any significant change in the role and function of centres is brought forward by way of the Development Plan (... rather than by way of planning applications)
- Set out how identified growth and change will be managed across the network of centres – having regard to the need to promote investment and strengthen existing centres, especially those needing regeneration
- Address the needs of existing centres which are in decline – in the manner indicated in the proposed PPS
- Define the extent of the Primary Shopping Area and the Town Centre on their Proposals Maps, and consider distinguishing between realistically defined Primary and Secondary Retail Frontages in designated town centres (... with policies that make clear which uses will be permitted in such locations)
- Consider setting floorspace thresholds for the scale of ‘edge-of-centre’ and ‘out-of-centre’ development which should be subject to an impact assessment
- Where growth cannot be accommodated in identified existing centres, expand town centres and identify development opportunities (... ensuring that any extensions are carefully integrated with the existing centre)
- Have flexible town centre policies, which are capable of responding to changes over time
- Encourage residential or office development – as appropriate – above ground floor retail, leisure or other facilities within centres

- Ensure that housing in out-of-centre mixed use developments is not, in itself, used as a reason to justify additional floorspace for main town centre uses in such locations
- Identify opportunities within existing centres for sites suitable for development or redevelopment, or where conversions and changes of use will be encouraged for specific buildings or areas
- Use relevant vitality and viability indicators, market information and economic data to inform a range of planning tools (including Town Centre Strategies) intended to address (specified) issues associated with the growth and management of centres ... and
- (Where appropriate) in urban areas, encourage high-density development within existing centres which are accessible by public transport, cycling and walking.

1.14 Local Planning Approach to Planning for Consumer Choice and Promoting Competition for Town Centre Development (EC6): The proposed PPS indicates that Local Planning Authorities should proactively plan for consumer choice, and promote competitive town centre environments, by:

- Supporting the diversification of uses in the town centre as a whole
- Planning for a strong retail mix ('... so that the range and quality of the comparison and convenience retail offer meets the requirements of the local catchment area')
- Recognising the significant/valuable role that can be played by smaller shops
- Retaining and enhancing existing markets and, where appropriate, re-introducing markets or creating new ones
- Planning for a range of tourism, leisure and cultural activities ... and
- Implementing measures to conserve and enhance the (established) character and diversity of town centres.

1.15 Site Selection and Land Assembly for Town Centre Uses Policy EC7): The proposed PPS indicates that, in selecting sites for development for town centre uses, Local Planning Authorities should:

- Base their approach on the identified '**need**' for development
- Identify the appropriate '**scale**' of development
- Apply the '**sequential approach**' to site selection
- Assess the '**impact**' of development on existing centres
- Ensure that locations are '**accessible**' by way of a choice of transport modes ... and
- (In addition) consider the degree to which a range of other (specified) considerations may be material to the choice of appropriate locations for development.

The proposed PPS provides specific guidance on how Local Planning Authorities should set about:

- Judging the appropriate scale of development in different types of centre
- Applying the sequential approach to site selection
- Assessing the impact of proposed locations for proposed development on existing centres ... and

- Assessing whether locations are accessible.

The proposed PPS indicates that Local Planning Authorities should generally allocate sufficient selected sites to meet the identified need for at least the first five years from the date of adoption of their Development Plan Documents (... with a longer period, perhaps, in the case of large town centre schemes). In the apparent absence of sites of the right size and in the right locations, the proposed PPS indicates that Local Planning Authorities should set out criteria-based policies for assessing planning applications.

1.16 Managing the Evening and Night-time Economy in Town Centres Policy EC8):

The proposed PPS indicates that Local Planning Authorities should prepare planning policies to help manage the evening and night-time economy in appropriate centres, taking account of the Local Authority's Statement of Licensing Policy and the promotion of the licensing objectives under the Licensing Act 2003. They should ensure that such policies:

- Encourage a diverse range of complementary evening and night-time economy uses, which appeal to a wide range of age and social groups – ensuring that provision is made, where appropriate, for (specified) leisure, cultural and tourism activities ... and
- Set out the number and scale of leisure developments they wish to encourage – based on their potential impact (including cumulative impact) on a range of (specified) factors.

1.17 Local Planning Approach to Rural Areas (Policy EC 9):

The proposed PPS indicates that economic development in open countryside away from existing settlements, or outside areas allocated for development in Development Plans, should be strictly controlled - most new development should continue to be located in or on the edge of existing settlements, and areas of countryside should continue to be protected – for a variety of reasons). The proposed PPS indicates that, subject to recognising the need to protect countryside, policies for economic development set out in the document apply equally to rural and urban areas. However, the proposed PPS specifies that, in addition, in rural areas, Local Planning Authorities should:

- Identify local service centres as the preferred location for new economic development
- Away from larger urban areas, focus most new development in or on the edge of local service centres, where a broad mixture of complementary uses can be provided close together
- Set out criteria to be applied to planning applications for farm diversification, and support forms of diversification compatible in their scale and impact with their rural location
- Seek to remedy any identified deficiencies in the provision of local shopping and other facilities which would address day-to-day needs – and help address social exclusion
- Where appropriate, set out policies for supporting equine enterprises (... the scope of such policies is briefly outlined)
- Set out circumstances where replacement of buildings would not be acceptable – and the permissible scale of replacement buildings ... and
- Where appropriate (e.g. in popular holiday areas) set out policies in respect of provision for 'holiday and touring caravan sites and chalet developments' (... the scope of such policies is briefly outlined).

1.18 Car Parking for Non-residential Development Policy EC10):

The proposed PPS indicates that Local Planning Authorities, by way of their Local Development Frameworks, should set maximum parking standards for non-residential development in their areas – ensuring alignment with Local Transport Plan policies. (... There should be no minimum parking standards – other than in respect of provision for disabled people). The proposed PPS lists factors which should be taken into account in setting maximum parking standards.

1.19 Decision Making Policies. These are series of policies (EC12 to EC 24) which reflect the Plan Making Policies and largely are in line with the Council’s Local Plan Policies. Attention is drawn to paragraph 5 of Policy EC12: Planning applications for economic development which states,

“support small-scale economic development where it provides the most sustainable option in villages, or other locations, that are remote from local service centres, recognising that a site may be an acceptable location for development even though it may not be readily accessible by public transport.”

This reflects the recommendations in Matthew Taylor MP’s review of rural housing and economy and is a view that has been supported by the Local Development Framework Panel.

1.20 Policy EC14: Local development frameworks: re-use or replacement of buildings in the countryside

PPS 7 Sustainable Development in Rural Areas (2001) had a separate section about replacement of buildings in the countryside. This states that the Government is supportive of the replacement of suitably located, existing buildings of permanent design and construction in the countryside for economic development purposes. Further that the replacement of non-residential buildings with residential development in the countryside should be treated as new housing development in accordance with the policies in PPG3. Policy EC 14 in the draft PPS by combining policies for conversion and replacement of buildings has lost this clear guidance that replacement of buildings that met the specified criteria are suitable for economic development purposes but proposals for residential purposes would be treated as a new housing proposal. There is also an overlap with Policy EC9 which requires local planning authorities to set out the circumstances where, in rural areas, replacement of buildings would not be acceptable and the permissible scale of replacement buildings.

1.21 Question 7 in the Consultation Questions posed in the Draft PPS is about Policy EC21 and this states:

“Policy EC21: The consideration of planning applications for development for town centre uses not in a centre nor allocated in an up to date development plan.

EC21.1 Having considered the evidence, local authorities should determine planning applications for town centre uses that are not in a centre or allocated in an up to date development plan in the following way:

1. refuse planning permission where the applicant has not demonstrated compliance with the requirements of Policy EC19 (the sequential approach).

2. refuse planning permission where there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of mitigation of or adaptation to climate change or any one or more other key impacts under Policy EC20.1(3) (the impact assessment).
3. consider proposals favourably where any adverse impacts under Policy EC20.1(3) are not significant and these are likely to be outweighed by significant wider economic, social and environmental benefits arising from the proposal under Policy EC20.1(4) or other material considerations.

EC21.2 Judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date). Recent local assessments of the health of town centres which take account of the vitality and viability indicators in Annex A of this policy statement and any other published local information (such as for example a town centre or retail strategy), will also be relevant.

- 1.22 This proposed policy does raise concerns. Firstly, about the definition of 'significant adverse impacts', which would lead to a proposal being refused, and 'adverse impacts that are not significant' where a proposal would be approved if these were outweighed by other significant benefits. Secondly, without a regularly updated evidence base about the health of town centres - which is expensive to maintain, the Council will be at a disadvantage against well resourced applicants.
- 1.23 The proposed response to the specific questions raised in the consultation paper are set out in Appendix 1.

Legal Implications

There are no legal observations.

Financial Implications

There are no financial implications.

Background Papers

Draft PPS4 - CLG – May 2009

John Maidment

Planning Policy Manager

Development Management Committee

28 July 2009

Appendix 1

Consultation Questions

1. **Do you support the consolidation and streamlining of national planning policy on economic development into a single policy statement? What do you think are the costs and benefits of the approach?**

Yes No

Comment: Although the document is long and complex, having all national guidance on economic development in one policy statement will make it easier for local authorities to locate relevant policies.

2. **Does the draft Statement include all that you understand to be policy from draft PPS4, PPG5, PPS6 and PPS7? If not, please be specific about what paragraphs in any of these documents you feel should be included in this document? Please can you explain why this should be the case?**

Yes No

Comment: PPS 7 Sustainable Development in Rural Areas (2001) had a separate section about replacement of buildings in the countryside. This made it clear states that the Government is supportive of the replacement of suitably located, existing buildings of permanent design and construction in the countryside for economic development purposes. Further, that the replacement of non-residential buildings with residential development in the countryside should be treated as new housing development in accordance with the policies in PPG3. Policy EC 14 in the draft PPS, by combining policies for conversion and replacement of buildings, has lost this clear guidance that replacement of buildings that met the specified criteria are suitable for economic development purposes but proposals for residential purposes would be treated as a new housing proposal. This guidance should be included in the new PPS. There is also an overlap with Policy EC9 which requires local planning authorities to set out the circumstances where, in rural areas, replacement of buildings would not be acceptable and the permissible scale of replacement buildings.

3. **Other than where specifically highlighted, the process of streamlining policy text previously in draft PPS4, PPS6 and PPS7 to focus on policy rather than guidance is not intended to result in a change in policy. Are there any policies which you feel have changed in this process? Please tell us what you think has changed and provide alternative wording that addresses your concerns.**

Yes No

Comment: It is understood that the proposals for a 'competition test' in respect of retail proposals in the draft PPS 6 are on hold pending the Competition Commission's reconsideration of this issue following the quashing of their original recommendation by

the Competition Appeals Tribunal. See also response to question 2 above.

4. **Does the structure of the draft Statement make it easier to understand what is required at different stages in the planning process? Are there any improvements you would like to see made?**

Yes No

Comment: The division into plan making and decision making policies is helpful.

5. **Do you think the restructuring of the impact test from the consultation draft of PPS6 achieves the right balance and is it robust enough to thoroughly test the positive and negative impacts of development outside town centres?**

Yes No

Comment: However, the impact test measures the wider positive and negative effects of retail and other town centre related development requires a wide range of factors to be examined and will be complex to apply.

6. **Should more be done to give priority in forward planning and development management to strategically important sectors such as those that support a move to a low carbon economy, and if so, what should this be?**

Yes No

Comment: Reverse the Secretary of State's proposed changes to policies G (Sustainable Construction) and RE5 Decentralised Energy to Supply New Development) in the draft South West RSS which limit the potential of the regions renewable energy businesses

7. **Is the approach to the determination of planning applications set out in policy EC21 proportionate?**

Yes No

Comment: This proposed policy does raise concerns. Firstly, about the definition of 'significant adverse impacts', which would lead to a proposal being refused, and 'adverse impacts that are not significant' where a proposal would be approved if these were outweighed by other significant benefits. Secondly, without a regularly updated evidence base about the health of town centres (which is expensive to maintain) to provide a basis to resist proposals that would damage a town centre local authorities will be at a disadvantage against well resourced applicants.

- 8. Do you think the requirement for regional spatial strategies to set targets for employment land targets for each district in their area should be imposed? Please give reasons for your view.**

Yes No

Comment: Regional Spatial Strategies should set out employment land targets for any regional/sub-regional strategic employment sites required in each district. Otherwise local authorities are better placed to set employment land targets for their areas than regional planning authorities. The draft PPs recognises (Policy EC1.1) that, "there is a limit to the extent local planning authorities can predict the future of their local economies and so a flexible approach to the supply and use of land will be important." Regional planning authorities will be in a worse position than local planning authorities to predict the future of local economies.

- 9. Do you agree the policies do enough to protect small or rural shops and services, including public houses? If no, please explain what changes you would like to see.**

Yes No

Comment:

- 10. In response to Matthew Taylor, we have altered the approach to issues such as farm diversification. What do you consider are the pros and cons of this approach?**

Yes No

Comment: The Government agreement with the key finding of the Matthew Taylor review that we need a more subtle appreciation of what makes rural areas sustainable is welcome as is the recognition that economic sustainability is a prerequisite for social and environmental sustainability in both urban and rural contexts.

- 11. Do you think that the proposals in this draft PPS will have a differential impact, either positive or negative, on people, because of their gender, race or disability? If so how in your view should we respond? We particularly welcome the views of organisations and individuals with specific expertise in these areas.**

Yes No

Comment: