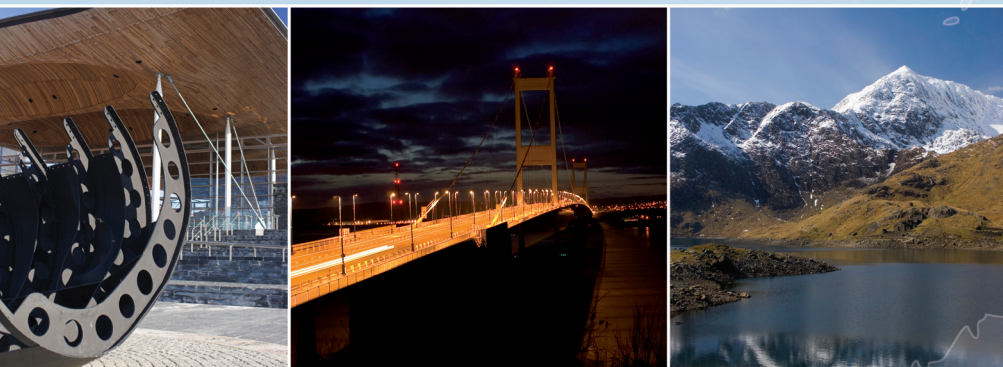




FEDERATION OF SMALL BUSINESSES



Small Businesses and the Planning System in Wales

*Review of National and Local
Planning Policies*





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*Stage 2:
Review of National and Local
Planning Policies.*

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Report to the Federation of Small Businesses
May 2009

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Cardiff School of City and Regional Planning

Foreword

When the FSB conducts membership surveys on the most pertinent issues small businesses face today, planning is one that always comes near the top. Rather than being a barrier to growth, we believe the planning system can actually act as an enabler for business growth and diversification. But planning matters need to be considered at the beginning of any business development process, rather than merely being perceived as a barrier at the end of a plan for business establishment or growth. The Welsh Assembly Government's Flexible Support for Business has an integral part to play, ensuring businesses consider planning as an integral part of their business plan, and are aware of the ability to seek pre-application advice as soon as possible within this process.

Mechanisms must be put in place to ensure that national planning policies are filtered through to all levels of government, as well as being implemented at local level. There needs to be consistency and clarity throughout Wales, to provide business security and opportunity, and there must be better engagement with small businesses at the grass roots. Often planning policies stereotype SMEs into certain types of businesses in particular areas: this does not actively encourage the diversity of businesses that we need in Wales to ensure a thriving and sustainable economy.

We hope that this second part of the research complements the first by providing examples and recommendations which could improve the planning system in Wales. We look forward to working with the Welsh Assembly Government, Local Planning Authorities and other key partners to implement these positive changes.



Janet Jones,
Wales Policy Chair,
Federation of Small Businesses.

Small Businesses and the Planning System in Wales

Introduction

The Federation of Small Businesses has commissioned Cardiff School of City and Regional Planning to undertake research into the relationship between small business and the planning system in Wales.

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The context for the project is a concern of the Federation of Small Businesses that the planning system in Wales is not sufficiently sensitive to the needs of small businesses as key users of the planning system.

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The project

The project has the following aims:

1. To establish and quantify the costs to small businesses of complying with the requirements for securing planning permission;
2. To collect systematic evidence on the experience of small businesses in engaging with the planning system;
3. To review planning policies and procedures at national and local level and evaluate these in how they accommodate the distinctive needs of small businesses;
4. To assess the consequences of the planning system neglecting the contribution of small businesses to economic and community life.
5. To make recommendations on changes to the planning system in Wales to ensure that it is sensitive to the needs and aspirations of small businesses.

A first stage of the project was completed in October 2008 and focused on the experience of small businesses in applying for planning permission and related consents. The report of that research was published by the Federation of Small Businesses in December 2008.

This second stage of the project focuses on the planning policy context and related planning procedures that impact on small businesses in Wales. It was undertaken between February and April 2009 and comprised the following activities:

- An audit of national planning policies.
- An audit of local planning policies.

This second stage of the research project was also used as an opportunity to further explore some of the key issues identified in stage one, focusing on pre-application advice and enforcement practice. Annex A provides a statement on the research that has been undertaken for stage 2 of the project.

Section 1

Audit of National Planning Policies in Wales

1. Audit of National Planning Policies in Wales.

1.1 Introduction

This section reports on the extent to which the national planning policies of the Welsh Assembly Government are sensitive to the needs and interests of small businesses.

The following policy documents have been included in the audit of national planning policies:

- Planning Policy Wales (2002) and the Planning Policy Wales Companion Guide (2006);
- Ministerial Interim Planning Policy Statements (issued 2005-8);
- The Technical Advice Note series (issued 1996-2009).

The audit of national planning policies in Wales is organised into the following:

- Format, scope and extent of national planning policies;
- Operational principles for the planning system;
- Audit and review of the content of national planning policies;
- Specific and direct references to the needs and interests of small businesses;
- Agricultural businesses and diversification;
- Key areas for improving national planning policies; and
- Summary findings on national planning policies and small businesses.

Detailed comments arising from the audit of national planning policies is included at annex B.

1.2 Format, scope and extent of national planning policies.

Stage one of the project addressed the experience of small businesses as applicants for planning permission and related consents and identified that few small businesses consult the range of national and local planning policies in formulating their proposals. Despite this, it is important that planning policies at all scales are expressed clearly and in a format that is both accessible and can be readily understood.

The following are key points based on the format, scope and extent of national planning policies considered from the perspective of small businesses:

- National planning policies in Wales are primarily set out in the single document Planning Policy Wales. This document was last revised and published in 2002. It is available as a hard copy document and is also available via the Welsh Assembly Government's website. The inclusion of the full range of national planning policies in a single document format is intended to ensure better policy integration and facilitate access to and use of national planning policies by users of the planning system.
- Planning Policy Wales has in recent years been supplemented by a series of Ministerial Interim Planning Policy Statements (MIPPSs) that provide interim updates to the main policy document. These updates to Planning Policy Wales to some extent undermine the objective of expressing national planning policies in a single, unified document. Certain sections of Planning Policy Wales have been cancelled or replaced by subsequent documents. Consequently, the task of identifying the range of up-to-date planning policies applicable to any one proposal becomes a more difficult task, particularly for those not familiar with the format or availability of planning policies.
- Planning Policy Wales is also complemented by a series of Technical Advice Notes. This is an extensive series of some twenty documents covering specific topics from noise, agricultural development and renewable energy to advertising control, enforcement and the Welsh language. The full range of Technical Advice Notes together form a very significant additional volume of guidance related to the planning system. Some documents in the series are short and concise, while others are extensive documents. The extended number of Technical Advice Notes adds further complexity and volume of guidance to the national planning policy framework.
- Certain documents in the Technical Advice Notes series of particular relevance to small businesses in Wales – for example TAN3 on Simplified Planning Zones, TAN4 on Retailing and Town Centres, TAN6 on Agricultural and Rural Development and TAN7 on Outdoor Advertisement Control – are among the more dated documents in the series. A number of these are documents issued by the former Welsh Office and have not been revised to reflect any changes in policy context since the establishment of the National Assembly for Wales.
- The Technical Advice Notes series also varies significantly in style and content. Certain documents' content is of a 'technical' character, with documents addressing development and flood risk, noise and renewable energy being particular examples of this. However, other documents – including those addressing design, agricultural and rural development, and retailing and town centres – provide an extension of a combination of policy, procedural and technical issues.

1.3 Operational principles for the planning system.

In addition to setting out the principal planning policies of the Welsh Assembly Government, Planning Policy Wales also sets out a series of operational principles for the planning system. Many of these principles for the working of the planning system support the sensitive consideration of small business interests when dealing with planning applications and other forms of engagement in the planning system:

Planning Policy Wales and its supporting series of Technical Advice Notes:

- Emphasises that the planning system should be 'efficient, effective and simple in operation' (paragraph 1.2.3);
- Emphasises that 'minor applications' – a category in which most small businesses' applications will fall – should be determined within a period of 8 weeks of receipt.
- Emphasises the importance of pre-application consultations;
- Identifies that development plans should be a vehicle for providing developers with certainty on the type of development that will be permitted at a given location;
- Identifies the business community as an important stakeholder to engage in plan preparation;
- Emphasises the 'tests' of planning conditions, including attaching conditions to a planning permission only where it is necessary,
- Advises local planning authorities to keep conditions and limitations 'to the minimum';
- Advises on the 'positive' use of planning conditions as a means of overcoming any objections to a proposal and enabling development to proceed;
- States a preference for the attachment of conditions to planning permissions over the use of planning obligations where this is feasible;
- Advises that enforcement action 'should be used as a last resort' and that action be commensurate with the breach of planning control;
- Advises on simple requirements being suitable for simpler proposals in relation to supporting information on design;

1.4 Audit and review of the content of national planning policies.

Planning Policy Wales - and its updated sections contained within Ministerial Interim Planning Policy Statements - contains a considerable number and wide range of references to factors of direct and indirect relevance to small businesses. Some of these references are to the needs of businesses and economic interests generally, while others are direct references to small businesses.

This section firstly identifies those policies that demonstrate relevance to the needs of businesses, while the following section focuses on policies specifically addressing small businesses.

The planning system and economic and business development

- Businesses are recognised in national planning policy as a key partner in working towards sustainable development;
- Reference is clearly made to the role of the planning system in contributing to economic development and in helping to build a dynamic and advanced economy, as well as to a role for the planning system in providing for investment and jobs;
- National planning policies recognise the importance of promoting diversity in the local economy;
- Emphasis is placed in national planning policies on supporting initiative and innovation and responding flexibly to proposals;
- A flexible approach to proposals for change of use is promoted in national planning policies;
- Reference is made in national planning policies to the linkage between European funding programmes and the impacts of this on the demand for employment land;

Promoting linkages between economic and business development and other policy sectors

- An awareness of the impacts of climate change on the economy is demonstrated in national planning policy;
- There is an identification in national planning policy of the linkage between economic opportunities and the well-being of the Welsh language, acknowledging that policies designed to ensure a sufficient level and range of economic opportunities to support and develop local communities can be of benefit to promotion of the Welsh language;
- There is identification in national planning policies of the linkages that exist between waste re-use and economic benefits it can bring to an area;

Promotion of sustainable communities and mixed-use development

- National planning policy highlights that many businesses can be located in small settlements and residential areas in larger settlements without causing unacceptable disturbance. Policy also stresses that local planning authorities should not unreasonably seek to restrict business activities of a suitable scale within residential areas;

- The inclusion of ancillary uses, such as local employment, in significant new housing schemes is actively encouraged by national planning policies;
- Promotion of mixed-use developments is also actively encouraged by national planning policy, as is the provision of flexible workspace/dwellings that enable small businesses and individuals to establish a dedicated workspace at their place of residence in the form of a residential/business mixed-use.

Town centres and retail development

- National planning policies set out a clear framework for the reinforcement of existing commercial centres, including town centres;
- A concern to ensure a diversity and mix of uses in town centres is clearly stated in national planning policies;
- Local planning authorities are encouraged by national planning policies to establish primary frontages in town centres to ensure that town centres retain strong retail functions, complemented by secondary frontages;

Balancing business interests and environmental considerations

- It is emphasised in national planning policy that non-statutory designations for the purposes of conservation do not preclude appropriate socio-economic activities;
- National planning policies advise local planning authorities on securing an appropriate protection of Conservation Areas 'while... avoiding unnecessarily detailed controls over businesses';
- Local planning authorities are encouraged to adopt an approach to design that is responsive to local concerns and does not apply prescriptive standards to development proposals;

Safeguarding the interests of existing business uses

- National planning policies advise that careful consideration should be given to any impacts on existing businesses of encroaching residential development (for example, in relation to noise generated by existing businesses);

Retention of business uses in rural areas

- National planning policies encourage the re-use of redundant or vacant rural buildings for business use;
- National planning policies also encourage the retention of business and commercial premises for continued commercial and business use in preference to conversion to residential use, recognising that conversion to residential use 'may have an adverse impact on local economic activity';
- Guidance by the Welsh Assembly Government identifies a role for local planning authorities in compiling registers of rural buildings with unimplemented planning permission for business re-use to facilitate the search by businesses for new premises.

Tourist development

- National planning policy promotes the retention of hotel stock in seaside towns, and encourages conversion of obsolete buildings to tourist and other accommodation;
- Extensions to hotels and public houses of moderate size are supported in national planning policies on the basis that they can help to ensure the future viability of businesses;
- The positive role played by holiday and touring caravan parks in the local tourism economy is recognised in national planning policies.

1.5 Specific and direct references to the needs and interests of small businesses:

National planning policies in Wales exhibit a particular sensitivity in some policy areas to the particular needs of small and medium sized enterprises. These range from recognising the special and prominent role that small businesses can play in particular economies, to the need to be sensitive to the role that small businesses play in community life, and the sometimes disproportionate effects on small businesses of dealing with the requirements of the planning system (for example, complying with submission requirements or meeting the requirements of regulatory systems).

Recognition of the special character of small businesses

- Small-scale enterprises are recognised in national planning policy as having a 'vital role' in promoting economic activity in rural areas;
- National planning policy identifies 'the difficulties of businesses which are of value to the local community' as an exceptional material consideration that may be taken into account in the determination of planning applications and other decisions;

Special consideration to administrative burdens and impacts on small businesses

- Local planning authorities are advised by national planning policies to 'avoid placing unnecessary burdens on enterprises' (in various fields of design, noise regulation etc), and particular reference is made to special consideration being given to 'small and medium sized firms';
- National guidance advises on minimising the disruption caused to small businesses and self-employed persons in taking enforcement action, with a particular concern to ensure no permanent loss of employment in requiring the relocation of businesses as a result of enforcement action. It also advises on being particularly sensitive to the character and needs of small businesses in establishing periods for compliance.
- National guidance recognises the importance of dealing promptly and efficiently for applications for consent to display advertisements and emphasises that "this is especially important for small businesses, which need to establish their identity quickly and often cannot afford the time and resources in submitting a range of advertisement options".

Identifying land for small business use

- A need for new, small sites for business use in rural Wales that are located in or adjoining small rural settlements is specifically identified in national planning policy;

Expansion of small businesses

- Encouragement is provided in national planning policy for local planning authorities to consider positively proposals for retail expansion in villages where this is designed to improve the viability of the business;

Safeguarding the interests of existing businesses.

- National planning policy requires that local planning authorities 'should give particular regard to the needs of small and medium sized enterprises' in the development of their policies, especially in relation to policies on development in existing centres;
- The particular role in rural areas that is played by corner shops, village shops and those outside of existing centres is recognised in national planning policy, as is the fact that the loss of such facilities can be 'damaging to a local community';
- Local shops, village shops and public houses are recognised in national planning policy as performing an 'economic and social role' that is to be considered carefully by local planning authorities in determining proposals for conversion to other uses.

1.6 Agricultural businesses and rural diversification.

A significant proportion of small businesses in Wales is made up of farm-based enterprises or is operated from properties in rural areas. Policies related to agricultural development and the diversification of farm and other rural enterprises are therefore particularly significant in the land-use planning system in Wales.

There are various examples of national planning policies in Wales dealing sensitively and carefully with the issues of agricultural development and rural diversification. These include:

- The promotion of flexibility in agricultural industries;
- A positive approach to farm diversification that anticipates the conversion of buildings and sensitive new build;
- A positive approach to tourism developments that recognises the role and contribution of tourism to both economic development and farm diversification;
- Encouraging holiday conversions over simple residential conversions that recognises their greater contribution to the local economy;
- Emphasising that consideration should be given in determining applications to the impacts on the viability and operation of existing farms of any encroaching residential development;
- Recognition of the useful role played by farm shops in rural areas and their role in providing new sources of jobs and services;
- Advice on the sensitive use of conditions to enable farm shops proposals to be approved without negative impact on existing local shops;
- Acknowledgment that small scale rural or agricultural diversification may be considered as an exception to 'inappropriate development' in designated Green Belts;
- Emphasis that proposals for re-use or adaptation of rural buildings should be based on planning considerations, and not whether it is no longer needed for present agricultural or other purposes;
- Encouragement of a positive approach to farm diversification 'irrespective of whether farms are served by public transport';

1.7 Key areas for improving national planning policies.

The preceding material identifies that national planning policies in Wales do reflect sensitivity to the specific needs and interests of small businesses within the context of the planning system. The opportunities for further enhancing the sensitivity to and accommodation of the needs of small businesses include a range of general and specific policy changes. These include:

- Exploration of the means of ensuring that Planning Policy Wales remains in its format as a unified planning policy document and a singular source of the principal planning policies of the Welsh Assembly Government;
- A revision and updating of those documents in the Technical Advice Notes series which are of particular relevance to the character of small businesses in Wales. These include TAN3 on Simplified Planning Zones, TAN4 on Retailing and Town Centres, TAN6 on Agricultural and Rural Development and TAN7 on Outdoor Advertisement Control.
- Technical Advice Note 3 on Simplified Planning Zones could usefully be developed into a document with a wider remit on supporting business development, including material directly addressing small businesses.
- Clarification and extension of guidance on the role of small businesses in the local economy in facilitating the well-being of the Welsh language, particularly in rural communities;
- Clearer statement of the range of material considerations in the determination of planning applications, expanded to include direct reference to the impact of planning decisions on the operation and viability of businesses;
- Clearer identification and greater emphasis in guidance on outdoor advertisement control of the significance to businesses of publicising their business and its location;
- Ensuring that the full suite of planning policy documents related to housing – including relevant Technical Advice Notes – reflect policies on live/work developments and the desirability of mixed residential/employment schemes;
- Highlighting a diversity of size and types of businesses rather than simple reference to amounts of development (e.g. retail, employment) wherever possible through disaggregation by types and size of business;
- Clearer exploration of the effects of flood risk approaches on town centre viability and the businesses located within town centres at risk of flooding.

1.8 Summary findings on national planning policies and small businesses.

- The format of producing national guidance in a single policy document as Planning Policy Wales is helpful in facilitating understanding of the full range of planning policies by users of the planning system. However, this format has been partially eroded by the introduction of a series of policy updates since 2005.
- The Technical Advice Notes series adds a significant additional volume of guidance and advice support Planning Policy Wales. This needs to be managed carefully if it not to undermine the value and advantages of a single policy document approach.
- A number of the Technical Advice Notes that are of particular relevance to small businesses are among the more dated documents in the series and could benefit from revision and updating.
- National planning policies emphasise a series of operational principles for the planning system that are sensitive to the needs of businesses. These principles express the need for efficiency and effectiveness in the operation of the planning system, and support a facilitative approach to development by businesses.
- The particular needs and interests of small businesses are recognised in national planning policies. There are various examples where national planning policies demonstrate and advise on being sensitive to the impacts and effects of policies and decisions on small businesses. This is especially the case in relation to businesses in rural areas and support for rural diversification.

Section 2

Audit of Local Planning Policies in Wales

2. Audit of Local Planning Policies in Wales

2.1 Introduction

This section reports on the audit of planning policy documents in the twenty five local planning authorities in Wales.

The focus of the review was those policy documents within the planning system judged to provide the strongest guidance and support for decision-making by both planning authorities and applicants. In general these were adopted plans and approved supplementary planning guidance (SPG).

More recent policy documents were examined where adopted plans were particularly dated or surpassed by events. As an example, the review of documentation for Cardiff included its deposited Unitary Development Plan from 2003 in place of the patchwork quilt of local and structure plan policies (of varying stages of preparation and approval) from a variety of pre-1996 authorities. The survey and review of local planning policies, when taking Wales as a whole, captures the most important policy bases for day to day development control decision-making.

The section is organised into the following:

- useability of plans
- sensitivity of plans to small businesses
- opportunities missed by plans
- supplementary planning guidance
- summary of main findings

2.2 Useability of plans

The intensive reading of the large number of plans and supporting documents undertaken in the study underlines the significant differences that exist in the ease with which those documents can be used and understood. There is significant variation in how difficult it is to:

- orient oneself as a reader of the plan and navigate its content;
- read the plan as a coherent and meaningful document;
- gain a sense of the way key policy priorities expressed in the plan are shaping every aspect of the plan's content, including its detailed policies and allocation of sites;
- relate the plan to a specific set of concerns – in the case of this study, the concerns of small businesses.

These concerns are ones that apply to many readers and users of planning documents, and are not exclusively issues for small businesses. They are nevertheless important aspects of using a plan and demand some attention.

- Some of the plans reviewed demonstrated clear layout of pages and materials, ensured that chapters were well-organised and had a clear focus, and made effective use of web technology and e-planning delivery to assist with on-line navigation through the plan. These positive qualities were generally more evident in recently-prepared plans.
- Some other plans demonstrated a series of characteristics that tended to add to the length of the plan without necessarily having a practical advantage for the small business user. These included the provision of lengthy preliminary material of a largely descriptive nature, reiterations of national planning policies, and lengthy references to the local policy context.
- Plans typically outline and list key issues and elements of the local and national policy context for the plan. Yet an informed professional reading of plans often highlights a rather more restricted set of concerns that emerge as key priorities of the plan. Examples of this include the need for large scale inward investment to replace lost employment, or the need to resist severe development pressures in a rural authority. Some of these policy priorities may not always be welcomed by small businesses. Nevertheless, it is helpful and fair that small businesses are clearly made aware of them if these are the principal factors shaping attitudes of the planning authority to development proposals.
- Many plans could be clearer about their core vision for the future of the area which they cover, and relate this better to their policies. Improvements in this respect are expected as part of the new generation of Local Development Plans being prepared by local planning authorities. More recently prepared plans as part of the Local Development Plan system that were reviewed during the project demonstrated some promising improvement in expressing a core vision and its connection to more detailed policies and allocations.

- Certain plans, despite a careful reading, make it very difficult to establish the overall impact of the development plan on the small business sector. This could be for a number of reasons. These include the fact that some plans contained a very large number of policies, organised in a way which requires extremely careful cross-referencing of policies. In addition, some policies of special importance and significance to small businesses are expressed in very general terms. For example, employment land allocations may be expressed that are not categorised according to the size of development likely to be favourably considered.

2.3 Sensitivity to small businesses

This section reports on the degree to which small businesses feature in or appear to have been considered in the design of development plans and supplementary planning guidance, concentrating on the former as the primary planning policy documents at local level. The section addresses:

- the degree to which small businesses are mentioned specifically in plans, and under what policy areas;
- how central or otherwise small businesses are in plans;
- two policy areas especially relevant to small businesses in Wales in more detail;
- opportunities for sensitising plans to small business needs;

Acknowledging the existence of small businesses.

Plans can directly demonstrate sensitivity to small businesses in a very basic sense by simply acknowledging their existence in policies or accompanying text. Similar sensitivity can be demonstrated indirectly by the careful design of policies that will clearly impact on small businesses. An example of an indirect sensitivity to small businesses would be a policy which sought to bolster retail and other commercial facilities in villages and other small settlements. The policy can be said to recognise the significance of the small business sector as most of those kinds of facilities are run as small businesses. The inclusion of such policies and statements demonstrating some sensitivity to small businesses does not, of course, ensure that they translate into significant support or encouragement for small businesses.

The review of local planning policies and supporting information for demonstration of sensitivity to and awareness of the interests of small businesses shows that:

- two thirds of plans have employment policies which directly refer to small businesses under one description or another (for example, as 'small businesses', 'small firms', 'entrepreneurs', 'new firms', 'small-scale enterprises' etc);
- in addition, just over half of the plans reviewed contain policies on home-based working;
- almost all plans have policies which related to the role of small enterprises in diversification of the rural economy in general, or farm diversification specifically;
- not all plans had tourism policies, but in just over a third of plans there are references to small enterprises in tourism development;
- tourism policies also appear to be often indirectly sensitive to small businesses, with policies facilitating small scale accommodation, or other tourist-related facilities;
- marginally fewer retail planning policies than tourism policies have direct references to small businesses or similar (for example, by reference to 'independent traders'). Almost as many plans have indirect references to the interests of small businesses through strong support for retail hierarchies and village facilities;

- more generally, the support which plans often give to spatial hierarchies – in settlement structure as well as in more specific elements of spatial structure such as retailing and other employment - means that small businesses are at the very least indirectly acknowledged as significant actors in lower tiers of the hierarchies.

How central are small businesses to the strategies of plans?

The preceding section highlights that small businesses and their interests are not entirely ignored by development plans. However, the kind of attention given varies from something close to the integration of small businesses into the core of the plan to mentions which appear almost perfunctory.

A good example of small businesses being close to the heart of a plan is Conwy's LDP Preferred Strategy which states, at paragraph 4.2.11, that:

The area's economy is made up, predominately, of small, locally owned businesses. These are located in a variety of premises, many not on employment or industrial parks. To retain the vitality of the local economy, it is important that existing businesses can expand within their own communities, and remain accessible to their markets wherever possible. Historically, the area has never had large employment sites. To sustain the developing economy, it will therefore be necessary to identify new sites for expanding and new businesses which cannot be accommodated on existing sites. Equally, it is important to retain both existing and new sites, so that they may accommodate new small businesses or those in earlier stages of growth.

The precise significance of small businesses will differ from one locality to another, and Conwy's economic structure will not be replicated throughout Wales. However, there are examples of areas with a different economic structure also demonstrating sensitivity to small businesses and recognising their role in the local economy. Bridgend County Borough Council's Unitary Development Plan (2005) recognises the significance of providing for small businesses with a specific employment land allocation policy (E4) identifying sites suitable for small businesses. In addition, the plan also exhibits a generally facilitative tone towards small businesses. Hence its policy on home-based business (E12) is worded positively as follows:

PROPOSALS TO OPERATE A SMALL BUSINESS FROM THE HOME WILL BE PERMITTED PROVIDED THAT:

1. there would be no adverse impact on the character and appearance of the dwelling;
2. any additional traffic generated by the proposal will not cause adverse amenity problems in terms of noise and on street parking and can be safely accommodated on the existing highway;
3. there is no loss of residential amenity to surrounding properties by virtue of noise, smell, dust, light or unsightly storage.

This positively expressed policy can be contrasted with that of another south Wales local planning authority that has a Unitary Development Plan policy on home-based businesses. This expresses as one of its criteria the onerous requirement that the enterprise be a single person enterprise (that is, that there are no other employees). This is a significant practical barrier to starting and developing a business at home. It might also mean that at some time in their early, tentative phases of expansion businesses would feel they had little alternative but to take a calculated risk in flouting planning requirements.

Employment policies, including home-based working.

- Employment land allocations and policies on home-based working pre-dominate among those policies which make direct reference to small businesses.
- In local planning authorities which are largely rural, or have substantial rural areas, a common type of policy on land allocation for small enterprises is one which identifies sets of criteria against which proposals within and outside settlement boundaries will be assessed.
- Among planning authorities which are largely urban, a minority have policies which categorise employment sites by size of anticipated development; some others seek to safeguard existing small employment sites or provide a degree of encouragement for new small sites; a few others simply have sites allocated for employment.
- Policies on home-based working are far more common among rural authorities. Two recent plans have policies on telecottages. Only one plan promotes 'live-work' areas in new developments.

Rural diversification

- Plans generally recognise the significance of small enterprises in diversifying the rural economy.
- Typically, proposals for small-scale enterprises in rural areas will be considered where they make use of existing redundant buildings; provide tourist accommodation or facilities (of an appropriate scale); or support farming (for example, farm shops).

2.4 Opportunities missed

Preceding sections have identified examples where plans and supporting documents do address the interests of small businesses either directly or indirectly. As well as reviewing what the plans do say, the study looked for opportunities to support or better advise small businesses which are missed by the plans. The principal 'missed opportunities' identified in the review are organised under the following headings:

- Explaining the implications of policies for small businesses;
- Assisting small businesses in decision-making by providing specific information;
- Balancing the interests of small businesses and the need for constraint; and
- Identifying and addressing the impact of any requirements of the local planning authority on small businesses.

Explaining the implications of policies for small businesses

Few plans suggest that they might have worked through the implications of the sum total of their policies – or simply the policies in one sector (such as retailing, as discussed earlier) – for small businesses. At an even finer level of detail, there is considerable scope and need for a working through of what general statements such as the following mean for small businesses : 'Action will be taken to protect and enhance general amenity through the reclamation of and restoration of derelict sites [and other problematic sites, such as non-conforming industrial uses]...'. Given that many non-conforming uses are likely to be operated by small businesses, it would have been reassuring for them if the plan had demonstrated that the authority was aware of their situations, and possibly suggested ways in which the authority might ameliorate the effects of its policies on such enterprises.

Assisting small businesses in decision-making by providing site-specific information

The search for premises or sites by small businesses can often be facilitated by clear information about which sites the local planning authority anticipates being best developed for smaller (and larger) enterprises. Only a small minority of plans provide guidance of this kind – for example, Denbighshire's plan assists by classifying sites allocated for employment according to their suitability for enterprises of various sizes. Similarly, Swansea's plan provides helpful guidance in making it clear what scale of development, and where, for a caravan site or other accommodation is likely to be granted approval or resisted by the local planning authority. Providing this information in an up to date policy document can reduce what information needs to be conveyed in pre-application advice, thereby helping to minimise the risk of misunderstandings of the kind occasionally discovered in stage 1 of the study.

Balancing the interests of small businesses and the need for constraint

Many of the plans reviewed could do more to secure a proper balance between a tone of constraint and restriction and a tone which is facilitative and supportive. Ceredigion's UDP rejects the site allocation approach set out above, but it does so with the clear objective of facilitating small business development. It thereby exemplifies another opportunity which could be taken more often by local planning authorities in their policy documents - making clear that the local planning authority has a facilitative stance to small business, as well as understands the issues as they affect small businesses. This might be carried through into a greater concern for ensuring supplies of premises for small businesses in urban areas, for example. At present, many plans identify opportunities for small scale enterprise in rural buildings, and many also have a positive stance towards re-using redundant urban buildings.

However, the policies can appear to have the benefits for buildings, rather than businesses (and particularly small businesses) as their motivation. For example in Newport's Unitary Development Plan:

CE30 URBAN REGENERATION SCHEMES WILL BE ENCOURAGED, PARTICULARLY THOSE WHICH WILL RESULT IN:...

ii) RE-USE OF VACANT AND DERELICT LAND AND BUILDINGS...

Identifying and addressing the impact of any requirements of the local planning authority on small businesses.

The review identified a series of instances where policies might create disproportionate burdens for small businesses which could have been flagged up, and perhaps some thought have been given to amelioration. A considerable proportion of rural and urban Wales is covered by policies which seek to preserve or enhance the environment. The implications of such policies on protecting the built and natural environment are often severe for smaller businesses – for example, higher design standards or specified materials may be required for developments in Conservation Areas, which can be costly. These aspirations might cut across other policy-objectives of a plan, such as retaining commercial life in smaller settlements, and it would help small businesses if these tensions were at least acknowledged.

2.5 Supplementary Planning Guidance (SPG)

A web-based search was made of the range of supplementary planning guidance prepared and issued by each local planning authority. Most supplementary planning guidance issued by local planning authorities is available electronically for download. However, some of the more dated supplementary planning guidance prepared by some local planning authorities is not available in this format. The findings of the review must therefore be qualified accordingly. The following overall picture emerges:

- Almost all local planning authorities have approved supplementary planning guidance, while a few are in the process of consulting on draft supplementary planning guidance.
- The number of documents issued and available as supplementary planning guidance varies enormously from one authority to another; one has just one document, and one has over 70 documents issued as supplementary planning guidance.
- In some authorities all supplementary planning guidance has been recently approved and relates closely to the current development plan documents. Certain other local planning authorities continue to use supplementary planning guidance that has been approved more than a decade ago, as well as relating to dated development plans. In one authority this creates a very complex picture where supplementary planning guidance from over a decade ago remains the foundational policy document in relation to a particular kind of development (despite relevant changes in the Use Classes Order), and has to be read in conjunction with more recent supplementary planning guidance.
- The topics addressed through each local planning authority's suite of supplementary planning guidance vary a great deal. This is in part to reflect local circumstances and policy priorities
- The topics that are most usually and frequently addressed through supplementary planning guidance include: planning and development briefs for specific sites; development in rural areas (for example, addressing the conversion or rural buildings; new development); conservation areas; design guidance – sometimes general, sometimes specific – notably for housing development; guidance on hot food takeaways and/or restaurants; shop fronts (in urban areas especially); and sustainable development. Bio-diversity appears to be a topic that is increasingly featuring in supplementary planning guidance prepared by local planning authorities.
- There are no supplementary planning guidance documents prepared by local planning authorities in Wales that are directly related to small businesses and the planning system. Caerphilly County Borough Council has design guidance for business and Industrial developments, yet its focus appears to be large-scale developments.

In conclusion, the review of SPGs confirmed many of the points made in relation to development plans, in particular the complexity of the overall provision of supplementary planning guidance in some authorities, and the lack of specific reference to the implications for small businesses.

2.6 The effectiveness of the translation of national planning policies into local policies.

The review of national planning policies earlier in this report concluded that small businesses are reasonably well-addressed within the suite of national planning policies issued by the Welsh Assembly Government. This is evident in both direct address of the significance of small businesses in local economies, and the need to be sensitive to the characteristics of small businesses as users of the planning system.

The subsequent review of local planning policies enables consideration of some general patterns on which aspects of national planning policies are readily translated into local planning policies, and which do not so clearly find expression in the policies of local planning authorities.

- Aspects of national planning policies relevant to small businesses that translate readily to the local level, and find expression in local planning policies, include: the promotion of mixed-use development; diversification of the rural economy; the protection of existing settlements in rural areas; reinforcement of town centres; affording flexibility in relation to agricultural development; promotion of rural building conversion for business use; the value of local shops, village shops and public houses; support for hotel development in coastal and tourism-related settlements;
- Aspects of national planning policy relevant to small businesses that are translated to the local level, but with varying degrees of adaptation and success, include: the emphasis on the planning system being simple in operation; promotion of diversity in the local economy; encouragement of the 'green economy'; acknowledgement of the need to consider businesses that are of particular value to the local community; the degree to which detailed design controls should be applied; the need to pay particular regard to the needs of small and medium-sized enterprises; a positive approach to sensitive new build in relation to farm diversification; the significance of tourism development; design control over advertisements in conservation areas;
- Aspects of national planning policies relevant to small businesses that appear to find limited expression at the local level include: concerns about limiting unnecessary burdens on enterprises, and especially small and medium-sized firms; support for smaller-scale development of renewables; the managed decline of some centres; the protection of existing industrial and agricultural uses from encroaching residential development; indication of ancillary employment uses being included within housing developments.

It is clear that it is the series of policies relevant to small businesses in rural areas that most readily translate from the national level to the local level. Some of the issues that find limited expression at the local level may be categorised as those addressing impacts on businesses from either the operation of the planning system or on the character and operation of the business.

Variation in how effectively national planning policies are translated to the local level may be explained by a number of factors, including variation in the extent to which certain matters are considered to be priorities or of relevance at the local level.

2.7 Summary of findings in relation to local planning policies

- The variety of plans and supplementary planning guidance, and the long time-scale over which they have been produced, means that a simple picture does not emerge from the audit of local planning authorities' published plans and guidance.
- Practically all plans make either direct or indirect reference to small businesses in their policies or supporting text.
- References to and consideration of small businesses in development plans and supplementary planning guidance vary significantly across different policy areas.
- In some policy sectors there is very clear address of the small businesses sector. These are most significant in relation to employment land and business premises, rural diversification and agricultural development, tourism and retailing in smaller settlements.
- Few plans work through the implications for small business of the sum total of their policy framework, or have a clear enough core strategy that small businesses can work out for themselves how significant they are to the authority's aspirations. There is also very little direct evidence in development plans that the relative significance of different components of the local economy, including small businesses, has been assessed. Consequently, local planning policies do not always demonstrate that they are based on and relevant to the particular characteristics of the local economy.
- In general, rural local planning authorities and ones with large rural areas or otherwise isolated settlements tend to have more policies relating to small businesses. The changing economic climate may suggest to more urbanised authorities the need to reconsider how their planning policies relate to the small business sector.
- There are variations at the local level in the 'tone' in which certain key policies relevant to small businesses are expressed. Policies that are expressed positively provide a more facilitative tone towards small business development.

Section 3

Pre-application Advice Services by Local Planning Authorities in Wales

3. Pre-application Advice Services by Local Planning Authorities in Wales

3.1 Introduction

The previous stage one report to the Federation of Small Businesses identified that, whilst many small businesses applying for planning permission seek pre-application advice by telephone from their local planning authority, this does not address some of the issues that such advice can resolve at an early stage of preparing a planning application. Consequently, this stage two report explores the practices of local planning authorities in delivering pre-application services, including to small businesses.

The findings reported below are based on a questionnaire issued to the development control sections of local planning authorities in Wales.

- Most local planning authorities do not have a published protocol for the provision of pre-application advice. In cases where a published protocol does exist, this is usually related to a formalisation of requests for advice and accepting requests in written form only.
- Most local planning authorities accept requests for pre-application advice in the full range of formats, including written requests by letter and email, as well as requests by telephone and in person.
- One local planning authority has moved to a system of accepting written requests only, supported by a pre-application advice request form. Another local planning authority has considered withdrawing provision of advice by telephone due to the potential for misinterpretation of information and advice, but has yet to withdraw that service.
- Pre-application advice is not always provided by fully qualified planning officers. Pre-application advice is also provided by planning administrators, planning technicians and planners in the process of becoming qualified.
- Many local planning authorities do not provide an opportunity for discussion with a qualified planning officer during office hours if prior notice has not been provided. However, some local planning authorities operate appointment-based planning surgeries or schedule 'drop-in' periods.
- None of the local planning authorities replying to the questionnaire charge for the provision of pre-application advice and it is usually publicised as a free service.
- Many local planning authorities have within the past 12 months considered introducing charges for pre-application advice, or are currently considering the introduction of charges. In most cases, a decision has been made to retain pre-application advice as a free service available to potential applicants. This decision has been based on a number of factors, including ensuring enhanced take-up of the service and deciding that present economic conditions did not justify the introduction of additional fees. However, it is recognised that this constrains the extent to which pre-application services can be enhanced.

- In cases where schemes have been designed, but not approved, fees have been devised based on the scale of development proposed. Proposals that are most commonly applied for by small businesses would either attract a fee of around £400 (for example, a change of use), or would be exempt in the case of extensions to smaller commercial premises and applications for minor physical works.
- There is variation in whether local planning authorities routinely supply to potential applicants a written summary of the advice given. However, all local planning authorities have mechanisms for recording advice provided by their officers for their own purposes (including for subsequent receipt of planning applications).
- Almost all local planning authorities have established mechanisms for enabling continuity between officers providing pre-application advice and those allocated as case officers.
- The principal constraints to improving and extending the provision and take-up of pre-application services are considered by planning officers to be (a) that insufficient details are usually provided to enable good advice to be given; (b) that many applicants fail to seek pre-application advice; and (c) the provision of pre-application advice as a free service means that it is an under-resourced activity.
- Some local planning authorities have recognised the need to provide additional media publicity of the availability of their pre-application advice services. This is intended to increase awareness and use of the service.

Section 4

Planning Enforcement Policies and Practices in Wales

4. Enforcement Policies and Practices

The guidance issued nationally on the enforcement of planning controls is contained in Planning Policy Wales and is accompanied by detailed information in Technical Advice Note 9 Enforcement of Planning Controls. Further, detailed advice on procedural matters is also contained in a supporting circular.

National guidance on the enforcement of planning controls demonstrates a measured and considered approach to the taking of enforcement action. The guidance demonstrates sensitivity to the effects of enforcement action in both its general guidance and in specific reference to small businesses. These include:

- Emphasis on enforcement action being used 'as a last resort and only when it is expedient';
- Emphasis that enforcement action be commensurate with the breach of planning control;
- Highlighting that "the cost to the developer of responding to enforcement action may represent a substantial financial burden" and that local planning authorities consider this in deciding how to handle a particular case;
- Advising on the 'positive' use of conditions to overcome any impact on amenity and enabling the development to continue through applying appropriate conditions;
- Ensuring time limits for compliance with enforcement notices are reasonable where relocation is required, and ensuring that disruption is minimised;
- Local authorities in promoting their economic development functions assist with suggesting alternative, suitable sites in cases requiring relocation of a business activity;
- Specific guidance for when dealing with small businesses and self-employed persons "to minimise disruption to the business and, if possible, avoid any permanent loss of employment as a result of the relocation";
- Highlighting that small extensions to periods for compliance are capable of making a significant difference to the continuation of small businesses;
- Requiring local planning authorities to bear in mind the Assembly commitment to fostering business enterprise when dealing with unauthorised development by small businesses.

These various aspects of the Assembly guidance set a sensitive and flexible approach to handling cases of unauthorised development by small businesses.

Section 5

Key Findings and Recommendations – National and Local Planning Policies

5. Key Findings and Recommendations – National and Local Planning Policies.

5.1 Introduction

This section of the report presents the key findings of the review of national and local planning policies, as well as makes recommendations related to the further development and review of planning policies in Wales so that they address more effectively the small businesses sector.

5.2 Key findings – national and local planning policies in Wales.

- In terms of content, national planning policies in Wales include a wide range of examples of being sensitive to the particular needs and interests of small businesses. These are evident in the series of operational principles for the delivery and management of the planning system, and also evident in the substance of the policies expressed in Planning Policy Wales and supporting documents.
- In some cases, national planning policies exhibit a very real understanding and recognition of the special characteristics of small businesses, and highlight how small businesses can be accommodated within the planning system. The national policy framework and its accompanying guidance to local planning authorities set out how local planning authorities can accommodate those interests fairly and reasonably in how they develop their own policies and make individual decisions.
- In terms of the format of national planning policies, the intended format of a singular, principal policy document (Planning Policy Wales) supported by a series of Technical Advice Notes is increasingly being challenged. The necessity of issuing new policy and guidance cannot be readily accommodated in the present arrangements for updating and disseminating national planning policies in the unified format.
- There is, as may be expected, significant variation in how the policies and guidance prepared by local planning authorities in Wales address small businesses and their particular interests. This variation arises from the different dates for publication of plans and guidance between different local planning authorities, their different time-scales in responding to the introduction of the Local Development Plans framework, and their establishment of local priorities.
- In addition to various factors that may explain an expected variation in how individual local planning authorities address small businesses in their policies and guidance, there are also variations that could be addressed through better guidance to local planning authorities, the promotion of good practice, and encouraging local planning authorities to demonstrate more active consideration of small businesses in their plans and policy guidance. These issues are taken up in the following section on recommendations.

5.3 Recommendations.

The following recommendations are based on stage two of the project and focus specifically on the national and local planning policy framework in Wales. The earlier recommendations arising from stage one of the project are reproduced in annex C of this report.

1. The review of national planning policies highlighted a series of different policy statements that directly and indirectly address small businesses and their interests. However, this is fragmented across a suite of policy and supporting documents that is itself of considerable volume. It is therefore recommended that the Welsh Assembly Government, through its planning and business support functions and working with its partner organisations (such as Planning Aid Wales), consider **producing a summary or digest of national planning policies and guidance that support consideration of small businesses**. This would be directed at small businesses, and be written in a short, informative document, and enable small businesses to understand national planning policies, help them to formulate suitable proposals and negotiate with local planning authorities. The essential purpose of this document would be to empower and equip small businesses with consolidated information on the extent to which national policies support a sensitive consideration of development by small businesses. A similar document might also be directed at local planning authorities to draw attention to the various aspects of national planning policy that call for appropriate consideration to be given to development by businesses, and small businesses in particular.
2. The format of Planning Policy Wales is a helpful one for users of the planning system, yet it is not capable of being updated in a simple, effective and timely manner. The Welsh Assembly Government is recommended to **consider more effective means of updating national policy while retaining its ease of identification and use**. In addition, the supporting series of Technical Advice Notes continues to expand in number of documents and volume of guidance, while certain key documents for small businesses (and economic development more generally) are increasingly dated. The Welsh Assembly Government is recommended to **review, revise and update key documents on the Technical Advice Notes series that are of particular relevance to small businesses**.
3. National planning policies advise on a series of operational principles for the planning system in Wales, including the use of planning conditions and the use of planning obligations. Local planning authorities appear to be making extensive use of planning conditions, and increasing use of planning obligations across a wider range of developments. However, there is little research on the use of planning conditions and planning obligations in Wales, particularly in respect of whether there is adherence to the principle of necessity in respect of planning conditions, and preference for use of conditions over planning obligations where this is feasible and practical. **Research is therefore recommended on the use of planning conditions and planning obligations, from the perspective of according with policy and advice of the Welsh Assembly Government**.

4. The research on local planning policies demonstrates some improvement in the format, structure and content of plans being produced as part of the new Local Development Plans system. It is therefore recommended that the Welsh Assembly Government **continues to monitor carefully the progress being made on development plans with a view to ensuring effective coverage of up-to-date development plans, and commits resources to enable this.**
5. More recently-prepared plans also exhibit some improvement specifically in relation to addressing issues of relevance to small businesses, for example in relation to disaggregating employment and business allocations in development plans according to type and size of business. It is therefore recommended that **the Welsh Assembly Government schedule a significant research project, to be undertaken at the appropriate time, on reviewing the effectiveness of the Local Development Plans system.** This could in turn be an effective vehicle for sharing best practice, including in relating to the needs and interests of small businesses.
6. The research identifies that the development plans of certain local planning authorities demonstrate a sensitive and practical approach to understanding the needs of small businesses. It is recommended that **individual local planning authorities audit their development plan documents from a small business perspective and revise their plans** as appropriate at the next opportunity.
7. Many development plans utilise a combination of site-based allocations of employment and supporting criteria-based policies. Site-based allocations provide small businesses with greater certainty on the likely suitability of sites for business use, although smaller site allocations are not always included in plans. It is therefore **recommended that local planning authorities specifically make allocations of employment land that are identified and stated as being particularly suitable for smaller businesses.**
8. The research identified that the development plan policies of some local planning authorities adopt a particularly stringent series of criteria for considering proposals for home-based working or home-based enterprises. **Local planning authorities are therefore recommended to review their criteria for home-based working or home-based enterprises and aim to introduce to greater flexibility while also protecting the interests of neighbouring properties and residential amenity.**
9. Few local planning authorities have adopted policies on mixed-use live/work developments. **Local planning authorities are therefore encouraged to further promote and allocate sites or locations for live/work schemes** that will facilitate the expansion of small businesses.
10. The research identified that small businesses featured more strongly in the local planning policies of local planning authorities in predominantly rural areas than they did in those of local planning authorities in primarily urban areas. It is therefore recommended that **local planning authorities in urban areas in particular be encouraged to recognise the significance of the small businesses sector within their local economy and address this in development plan policies.**

11. Even in development plans that do positively address some aspects of the needs and interests of small businesses, this is very rarely identified clearly in a dedicated section of the plan. **Local planning authorities, especially those where small businesses are a particular feature of their local economy, are recommended to dedicate a section of the plan to pulling together the implications of the plan for small businesses.**
12. There is recognition in national planning policies that there are opportunities to consider the impacts on small businesses of planning processes, requirements and decisions and accommodate or adjust for these where appropriate. Recognition of this does not always readily translate to or feature as prominently in the expression of local planning policies. **Local planning authorities are therefore recommended to ensure that, where appropriate, the disproportionate burden of policies and requirements on small businesses are acknowledged and ameliorated where reasonable.**
13. Supplementary planning guidance prepared by local planning authorities can be extensive in volume. It is also not always subject to the same processes of revision and updating that are applied to development plans. This can lead to an expanding and sometimes dated body of supplementary planning guidance. **Local planning authorities are therefore recommended to engage in periodic review of supplementary planning guidance (possibly as part of development plan preparation) and revise or cancel guidance as appropriate.**
14. Local planning authorities have not prepared supplementary planning guidance that specifically addresses small businesses. Supplementary planning guidance can be an effective vehicle for addressing many of the issues that apply to small businesses and drawing this together in a simple and user-friendly format (from relevant policies to pre-application advice and the approach to unauthorised development by small businesses). **Local planning authorities are therefore encouraged to produce information specifically for small businesses in the form of supplementary planning guidance.**
15. The review of local planning authorities' pre-application services showed an evolving picture across Wales and demonstrated some unresolved tensions in the provision of those services. There is early evidence of some increasing formalisation of pre-application services in order to try and ensure that clearer, more fully documented advice is provided. A significant number of local planning authorities are also being required to address the tensions between improving resources for pre-application services through the introduction of fees and not discouraging the use of the service. This is an evolving and emerging picture that may change in the near future. **It is therefore recommended that the Welsh Assembly Government undertakes further periodic review of pre-application services, and charges made for them, at future intervals.**

Section 6

Conclusions: Small Businesses and the Planning System in Wales

6. Conclusions: Small Businesses and the Planning System in Wales

6.1 Introduction

The project has had the following aims:

1. To establish and quantify the costs to small businesses of complying with the requirements for securing planning permission;
2. To collect systematic evidence on the experience of small businesses in engaging with the planning system;
3. To review planning policies and procedures at national and local level and evaluate these in how they accommodate the distinctive needs of small businesses;
4. To assess the consequences of the planning system neglecting the contribution of small businesses to economic and community life.
5. To make recommendations on changes to the planning system in Wales to ensure that it is sensitive to the needs and aspirations of small businesses.

This final section of the report returns to address each of the project aims.

The costs to small businesses of complying with the requirements for securing planning permission.

Stage one of the research project identified that fees for planning applications and related consents were not particularly high. It also identified that, for most applications, the amount of time invested by small business owners in submitting and managing their planning application was not extensive. However, it identified that professional fees could be significant and a source of concern, and also that delay could be a particularly significant 'cost' in relation to a small minority of applications. Stage two of the project identified that many local planning authorities are considering or have considered introducing fees for pre-application services, but have endeavoured to retain this as a free service available to potential applicants. This picture may evolve in the near future with local planning authorities actively considering the introduction of a fees schedule for pre-application services. Limited information is available on likely fees schedules, although fees may prove to be significant from a small business perspective.

The experience of small businesses in engaging with the planning system.

Stage one of the research project revealed that small businesses had mixed experiences and views of the planning system. Many had found the experience of engaging with the planning system in seeking to secure planning permission to be frustrating and slow, despite securing planning permission for their proposed development. This stage two of the project, in addressing pre-application services in further detail, demonstrates that local planning authorities already have in place mechanisms to try and address some of the concerns raised in stage one of the project (for example, in recording pre-application advice for subsequent applications, linking persons giving advice to subsequently acting as the case officer). However, the two

stages combined suggest that small businesses typically seek pre-application advice in the form that is least formal (by telephone) and, in the eyes of the local planning authorities, least suitable to being able to provide clear, practical and confident advice.

Planning policies and procedures at national and local level and their accommodation of the distinctive needs of small businesses.

Stage two of the project has directly addressed the issue of whether the national and local planning policy context adequately addresses the interests and specific characteristics of small businesses. In overall terms, it has revealed that national planning policies exhibit a good awareness of and accommodation of small businesses. However, it has also identified that improvements could be made in ensuring up-to-date address of some aspects of technical advice of particular relevance to small businesses.

Address of small businesses in local planning policies is more variable, and with greater selectivity in recognising the significance of small businesses across different areas of policy. The research has therefore identified opportunity for greater consistency within plans and between local planning authorities in how they address the particular characteristics of small businesses.

The consequences of the planning system neglecting the contribution of small businesses to economic and community life.

The project has identified that the planning system in Wales does not neglect the contribution that small businesses make to both economic and community life. Indeed, some statements of planning policy demonstrate a particular acknowledgement of the role of small businesses, most notably in rural areas. However, it has also highlighted a series of missed opportunities, especially in the planning policy framework and in improving small businesses' perceptions of the quality of delivery of planning services, which could be acted upon to facilitate small businesses' experiences when they are required to engage with the planning system.

In some cases, addressing these 'missed opportunities' can be achieved by ensuring that national planning policies are adequately translated to the local level, and in doing this that a positive approach to development by small businesses is not diminished. In other cases, it is simply recognising the significance of the small business sector in the local economy, as well as understanding the diversity and characteristics of small businesses in the locality.

Some of the more positive examples of policy-making drawn from local planning policies in Wales were based on a clear understanding of the significance of smaller businesses within that locality. This led to sensitively-designed policies demonstrating a good 'fit' with the nature of the local economy. In other cases, where policies did not appear to be based on a clearly expressed understanding of the composition of local economy, policies were expressed in a more general form (for example, referring to employment and business uses without distinguishing between a possible variety of types and scales of businesses). Therefore, an improved understanding of the role of small businesses in particular localities may result in improved expression and scope of local planning policies that signal more clearly to the small business sector when and where proposed developments will be most likely to secure planning permission.

The review of applicants' and appellants' experiences in practice, completed as stage 1 of the project, identified that small businesses did not always find that the planning system was as sensitive to the practical, day-to-day operation of small businesses as is suggested in the stated operational principles for the planning system in Wales. The research identified that many small businesses did not consider the planning system to be simple, effective or efficient in operation, although it did reveal similar rates of securing planning permission as for all forms of development taken together. This project has not been able to quantify the costs to small businesses of compliance with planning regulations, or to evaluate what the value is of development undertaken by small businesses, or that which is refused planning permission. Nevertheless, it is clear that many small businesses' experiences of the planning system are frustrating to them, and that their engagement with the planning system does not improve their understanding of it. Yet it is clear that a thriving small business sector, and the planning system's responsiveness to it, is central to the achievement of various government objectives in relation to:

- the future viability of smaller settlements throughout Wales, both urban and rural;
- the diversification of employment in rural and urban areas;
- the strengthening of tourism in various parts of Wales;
- the viability of farming and other agricultural activities;
- the wider adoption of small-scale renewables in the non-domestic sector; and
- promoting entrepreneurship and the expansion of smaller businesses.

The planning system risks being less effective than it might be in achieving or contributing towards these objectives, unless the small businesses sector is better understood in relation to these.

Recommendations on changes to the planning system in Wales to ensure that it is sensitive to the needs and aspirations of small businesses.

A series of detailed recommendations has been made in each of the reports for stage one and stage two of the project. These have identified a series of specific actions focused primarily on (a) improving the experience of small businesses in applying for planning permission and related consents, and (b) adapting the national and local planning policy framework to recognise and cater more effectively for small businesses. Together, these provide an ongoing agenda for change to the planning system and for the work of the Federation of Small Businesses, the Welsh Assembly Government and local planning authorities across Wales.

Annex A. Statement on Research Undertaken in Stage 2 of the Project.

The research undertaken for stage 2 of the project on small businesses and the planning system in Wales comprised the following:

- A desk-based review of national planning policy documents issued or approved by the Welsh Assembly Government, including Planning Policy Wales, the supporting Companion Guide, and the full series of Technical Advice Notes. The series of documents was reviewed for reference to the particular needs and interests of small businesses, and also for general reference to other issues of relevance to small businesses. Annex B provides a detailed account of materials. This also enabled an identification of any areas where the interests of small businesses could usefully be identified or accommodated (a series of 'missed opportunities').
- A similar desk-based exercise was undertaken for all local planning authorities in Wales addressing similar representation of and missed opportunities in relation to small business needs and interests. This included review of adopted development plans as well as those in preparation, reflecting the varying stages of plan preparation across local planning authorities in Wales. A review of key supplementary planning guidance was also completed where these were considered to have relevance to small business development.
- A questionnaire issued to the development control sections of all local planning authorities in Wales requesting information on authorities' arrangements for the provision of pre-application advice. The questionnaire was issued electronically to development control sections of all local planning authorities and was available for electronic completion and return or return in hard copy.
- The plans examined for the review of local planning policies consisted of:

Local Development Plans	Preferred strategy	3
	Deposit draft	2
Unitary Development Plans	Adopted	12
	Deposit drafts	3
	Approved	3
Structure plans/local plans	Adopted	1

- A total of 24 plans were examined as one adopted Unitary Development Plan is one that is prepared jointly by two local planning authorities. Seventeen of the twenty four plans have a publication date of 2005 or later. The most up-to-date documents had been issued in late 2008; the oldest was the sole plan reviewed from before 2000. The selection of plans review is therefore a collection of fairly recent plans which have been through an intensive process of public scrutiny and testing. The web-based survey of local planning authorities' policies and publications showed that all authorities had produced supplementary planning guidance, or were currently consulting on draft supplementary planning guidance. Most supplementary planning guidance produced by local planning authorities is available in electronic form for downloading. There are some limited exceptions to this, especially where supplementary planning guidance has an earlier production date. There is no reason to believe that the findings of the audit are skewed in any systematic way by these issues on availability.

Annex B. Detailed Comments Based on Audit of National Planning Policies in Wales.

Cardiff School of City and Regional Planning
Federation of Small Businesses

Small Businesses and the Planning System in Wales

Stage 2: Review of national planning policies

<i>Document</i>	<i>Reference to small businesses and their interests</i>	<i>Scope for additions or amendments to policies or guidance/additional comments</i>
<p>Planning Policy Wales (2002).</p>	<p>Reference in Foreword to the role of the land use planning system in 'taking full account of economic, social and environmental issues'; reference also to the fact that the land use planning system 'contributes to economic development'.</p> <hr/> <p>Reference to the then Assembly Government goals, including 'building a dynamic and advanced economy.</p> <hr/> <p>Emphasis on planning system being 'efficient, effective and simple in operation' (1.2.3).</p> <hr/> <p>'It is not the function of the planning system to interfere with or inhibit competition between users or and investors in land' (1.2.3).</p> <hr/> <p>Reference to various other consent regimes.</p> <hr/> <p>Emphasis on public services being responsive and transparent (1.3.1).</p> <hr/> <p>Various service standards, including provision of information on participation in planning matters, ease of access to services, service coordination etc.</p> <hr/> <p>Clearly stated expectation that 'minor applications' should be determined within the statutory 8 week period (1.3.8).</p> <hr/> <p>Emphasis pre-application discussions as an important part of the planning application process.</p> <hr/>	<p>Reference to other consents often required in relation to development.</p> <hr/>

Reference to EU Structural Funds (2000-2006) 'with consequent impacts on the demand for and supply of employment land' (1.4.11).

Key issue of preparing for the effects of climate change, highlighting increased frequency and violence of weather events. Recognises effects of this on the economy and its operation (1.4.12). Climate change opens up new opportunities.

Reference to linkage between Wales Spatial Plan, planning policies and the (2001) National Economic Development Strategy.

'Businesses' recognised as key partner in working towards sustainable development (2.1.3), and one of four objectives on sustainable development being 'the maintenance of high and stable levels of economic growth and employment' (2.1.4). Particular role for the planning system in providing for investment and jobs.

Reference to proximity principle and 'solving problems locally' (2.2.1).

Key policy objectives expressed, in the form of a long list, including access to secure employment, promotion of 'quality, lasting, environmentally-sound and flexible employment opportunities'; desire to 'support initiative and innovation and avoid placing unnecessary burdens on enterprises (especially small and medium sized firms)', referring to urban and rural economies; encouragement of 'diversity in the local economy' and green economy and social enterprises (2.3.2).

Promotion of mixed-use developments (2.4.2).

Priority in rural areas of securing 'a thriving and diverse local economy where agriculture-related activities are complemented by sustainable tourism and other forms of employment in a working countryside' (2.4.4).

Role for local planning authorities identified – 'maintain and improve the vitality, attractiveness and viability of town, district and local village centres' (2.5.2).

Encouragement of a mix of uses in town centres (2.5.5).

Clear guidance on 'development in the countryside', with strict controls over development in the open countryside'.

Policy framed in general terms; reference possible to relationship to farm diversification and other rural enterprises.

Green Belt designation and 'general presumption against development which is inappropriate in relation to the purposes of the designation' (2.6.5). Recognises 'small scale diversification with farm complexes where this is run as part of the farm business' as an exception to 'inappropriate development' (2.6.16).

Various aspects of design guidance addressed; local planning authorities 'should not attempt to impose a particular architectural style or taste arbitrarily and should avoid inhibiting opportunities for innovative design solutions' (2.9.12).

See separate MIPPS on 'Good Design' (01/2008).

<p>A 'sound economic base' to support sustainable communities linked to the well-being of the Welsh language across the whole of Wales (2.10).</p>	<p>Housing is identified as the principal form of development possibly impacting on the Welsh language; potential to link more positively to access to local employment opportunities.</p>
<p>Emphasises the role of development plans in providing developers with certainty on the type of development that will be permitted at a given location (3.1.6).</p>	
<p>'The business community' included in list of stakeholders to engage in plan preparation (3.2.2).</p>	
<p>Economic considerations highlighted as a key component of sustainability appraisal (3.3.2).</p>	
<p>Reference to examples of material considerations in determining planning applications (4.1.4).</p>	<p>No reference is made to, for example, impact on factors affecting business (e.g. on the viability of existing town centres).</p>
<p>Highlights exceptional consideration of 'the difficulties of businesses which are of value to the local community' as material to the consideration of a planning permission, and use of personal conditions where applicable.</p>	
<p>Section on control of outdoor advertisements (4.5) referring to interests of public safety and amenity.</p>	<p>No reference made to the importance of businesses in publicising their activities through advertising.</p>
<p>Reference to 'positive' role of conditions in enabling development proposals to proceed, and to 'tests' of conditions (including being necessary) (4.6). Similar guidance also provided on negotiating planning obligations (4.7), including again on their use only where necessary. Preference stated for conditions over planning obligations where feasible.</p>	
<p>Emphasis placed on dialogue and mediation in considering enforcement action and achieving desired outcomes. Actions to be commensurate with the breach of planning control (4.8).</p>	
<p>Links landscape and biodiversity conservation to opportunities for sustainable economic and social development (5.3.1).</p>	
<p>Reference to duty of National Park Authorities to foster the economic and social well-being of their local communities (5.3.4).</p>	
<p>Advises to ensure that non-statutory designations for conservation etc 'do not preclude appropriate socio-economic activities' (5.4.4).</p>	

<p>Identifies need to balance conservation objectives with the wider economic needs of local businesses and communities (5.5.1) – and advises on modifying proposals or attaching conditions if this is appropriate to enable development to proceed (5.5.3).</p>	
<p>Protection of Conservation Areas ‘while...avoiding unnecessarily detailed controls over businesses and householders’.</p>	
<p>Chapter 7 – Supporting the Economy.</p>	<p>Specific chapter focusing on economy.</p>
<p>Recognises the links between wealth creation and environmental quality (7.1.3).</p>	
<p>Support for ‘an efficient and flexible agricultural industry’ (7.1.4).</p>	
<p>General policy statements in support of encouraging diversity, competitiveness and avoiding placing unnecessary burdens on enterprise (7.1.5).</p>	
<p>Local planning authorities ‘should give particular regard to the needs of small and medium sized enterprises’ in formulating policies’ – example provided of flexible working practices, mixed-use development etc) (7.1.6).</p>	
<p>Emphasis on ‘efficient, effective and simple’ qualities of the planning system – also on transparency and ‘greater certainty and clarity for business development’ (7.1.8).</p>	
<p>Promotes ‘key sites’ being identified in plans, but also argues for flexibility too.</p>	
<p>Identifies that many businesses can be located in small settlement and residential areas in larger settlements ‘without causing unacceptable disturbance’ (7.2.5). Specific policy stating that policies should not unreasonably seek to restrict commercial and industrial activities of an appropriate scale, subject to certain safeguards (7.2.5).</p>	
<p>Policies to support mixed-use development, flexible workspace/dwellings etc (7.2.6).</p>	
<p>Policies promoting rural diversification – ‘small scale enterprises have a vital role in promoting healthy economic activity in rural areas’ (7.3.1).</p>	
<p>Recognises need for new, small development sites is likely in rural Wales, in or adjoining small rural settlements (7.3.2).</p>	
<p>Positive approach to farm diversification, with conversion and sensitive new build seen as possibilities (7.3.3). Also, promotion of the green economy, especially on waste-stream technologies (7.4.1).</p>	
<p>Highlights role of planning conditions in facilitating granting of planning permission (e.g. to overcome residential amenity issues), but cautions against use of occupancy conditions, particularly for small scale development.</p>	

	<p>Encourages flexible approach to change of use (7.6.6).</p> <hr/> <p>Local planning authorities encouraged to adopt a constructive approach towards agricultural development proposals, as well as towards conversion of rural buildings for business re-use (7.6.9). Policies also encouraged to retain business premises from residential conversion, subject to criteria (7.6.10).</p> <hr/> <p>Policies to be developed to encourage lower levels of car-parking than in the past. Local authority parking to be geared towards supporting their land-use policies (8.4.4). Example provided of encouraging short-term, retail parking and discouraging all-day commuter parking.</p> <hr/> <p>Chapter 9 - Housing.</p> <hr/> <p>Chapter 10 – Planning for Retailing and Town Centres.</p> <hr/> <p>Role of tourism recognised as ‘major element in the Welsh economy’ (11.1.1), in both urban and rural areas, with contributions to economic development and farm diversification.</p> <hr/> <p>Recognises role of infrastructure and service provision in supporting economic sustainability and competitiveness.</p> <hr/> <p>Recognises the role that information and communication technologies can play in for those living and working in remote rural areas (12.11.1).</p>	<hr/> <p>Replaced by MIPPS 01/2006.</p> <hr/> <p>Replaced by MIPPS 02/2005.</p> <hr/>
<p>Ministerial Interim Planning Policy Statement 01/2005 Planning for Renewable Energy (2005).</p>	<p>Replacement and updating of certain sections originally contained in Planning Policy Wales (2002).</p> <hr/> <p>Proposal to ensure an appropriate mix of energy production, focusing on strengthening renewable energy production, and forming a part of securing strong economic development policies.</p> <hr/> <p>Local planning authorities to support renewables proposals, subject to certain safeguards. Focus in large part is on large-scale renewables (including off-shore wind energy developments).</p> <hr/> <p>Identifies that smaller wind turbine developments may be suitable, subject to consideration of other material considerations (12.8.11).</p> <hr/> <p>Recognition of environmental, economic and social opportunities available through renewables.</p>	<p>General comment that increased number of MIPPSs reduces the clarity of national planning policies being located in a single policy document, and therefore makes finding and interpreting national planning policies more difficult for small businesses.</p>

**Ministerial Interim
Planning Policy
Statement 02/2005
Planning for Retailing
and Town Centres (2005).**

Replacement and updating of certain sections originally contained in Planning Policy Wales (2002).

General comment that increased number of MIPPSs reduces the clarity of national planning policies being located in a single policy document, and therefore makes finding and interpreting national planning policies more difficult for small businesses.

Key objectives for retailing and town centres are set out, including promoting established town, district, local and village centres for retailing, leisure and complementary functions, enhancing those centres and promoting their accessibility. Promotes the complementary mix of uses in such centres, and co-location of retail and other services. (10.1.2).

Recognises particular role of corner shops, village shops and outlets outside of existing centres too, highlighting that their loss can be 'damaging to a local community' (10.1.4). Local planning authorities encouraged to support existing communities and centres. Raises possibility of managed decline of some centres declining in importance.

Recognises the impact that new regional shopping centres can have on established centres (10.2.2).

Local planning authorities to consult private sector in development of policies on existing centres (10.2.3).

Encouragement of mixed-uses and diversity in town centres (10.2.4).

Local planning authorities to support access for delivery vehicles, and manage parking for cars and short-term parking in particular to help centres compete with out of centre locations (10.2.6).

Protection of primary frontages for retail use, complemented by secondary frontages (10.2.7).

Promotes town centre management in partnership with the private sector (10.2.8).

Sequential test establishes preference for town centre locations and reinforces town centres (10.2.11).

Impact on existing centres is a key factor in determining planning applications for selected uses (10.3.1).

Stated clearly that it is not the role of the planning system to restrict competition between retailers within centres (10.3.2).

Local planning authorities to seek to retain adequate level of provision for food shopping and related uses in town centres (10.3.7), with related policies on consideration of out-of-centre developments.

	<p>Recognises the 'economic and social role of local shops, village shops and public houses' when considering proposals for conversion to other uses. Also includes positive policies on considering retail expansion in villages to improve business viability (10.3.9).</p> <hr/> <p>Recognises the useful role played by farm shops in rural areas and their role in providing new sources of jobs and services (10.3.10).</p>	
<p>Ministerial Interim Planning Policy Statement 01/2006 Housing (2006).</p>	<p>Replacement and updating of certain sections originally contained in Planning Policy Wales (2002).</p>	<p>General comment that increased number of MIPPSs reduces the clarity of national planning policies being located in a single policy document, and therefore makes finding and interpreting national planning policies more difficult for small businesses.</p>
	<p>Local planning authorities encouraged to consider the compatibility of housing with neighbouring established land uses which may be adversely affected by encroaching residential development (9.2.9).</p> <hr/> <p>Criteria established for consideration of agricultural and forestry dwellings, including for financial test to establish the economic viability of farming enterprises. Advice given on temporary forms of accommodation where a case is not entirely proven (9.3.8).</p>	
<p>Ministerial Interim Planning Policy Statement 01/2008 Planning for good design (2008).</p>	<p>Replacement and updating of certain sections originally contained in Planning Policy Wales (2002).</p>	<p>General comment that increased number of MIPPSs reduces the clarity of national planning policies being located in a single policy document, and therefore makes finding and interpreting national planning policies more difficult for small businesses.</p>
	<p>Design is defined broadly to include economic aspects of development (2.9.1).</p> <hr/> <p>Design opportunities available in mixed-use developments.</p> <hr/> <p>Local planning authorities to set out in policies clear design expectations (2.9.14).</p>	

<p>Planning Policy Wales Companion Guide (2006).</p>		<p>Essentially a document that identifies policies in Planning Policy Wales that can be considered as national development control policies, those that need local spatial expression, and those areas where local policies are required. Does not introduce new policy areas.</p>
<p>Planning Policy Wales Technical Advice Note 1 Joint Housing Land Availability Studies (June 2006).</p>		<p>Deals with technical issues of monitoring and recording housing land supply. No reference to locational aspects of housing supply (e.g. proximity to facilities) or mixed-use developments (e.g. live/work units).</p>
<p>Planning Policy Wales Technical Advice Note 2 Planning and Affordable Housing (June 2006).</p>	<p>Local planning authorities required to set out a definition of 'local need' for affordable housing in rural areas. This can include 'people whose work provides essential services and who need to live closer to the local community; people with a family connection or long-standing links with the local community; people with a job offer in the locality who require affordable housing' (among others). (para 10.16).</p>	<p>Various elements of local need may be supportive of small businesses in rural areas.</p> <p>There is reference to taking up a job offer in the locality, but not to self-employment or business start-up in a small business.</p>
	<p>Role of design is emphasised, including in helping to attract business and investment (10.17).</p>	
<p>Planning Guidance (Wales) Technical Advice Note (Wales) 3 Simplified Planning Zones (November 1996).</p>	<p>Local planning authorities have a statutory duty to keep under review the desirability of SPZs in their area. SPZs intended to reduce delay and increase certainty for developers. Also has a role in generating private sector interest in an area. Schemes specify developments not requiring planning permission for a time horizon of 10 years.</p>	<p>One of the more dated TANs.</p>
	<p>Anyone can request a local planning authority to make or alter a scheme, with opportunity of request to be referred to the Secretary of State.</p>	
	<p>Guidance on consultation advises that local planning authorities should consult a range of organisations and interests, including businesses (paras 6-8).</p>	
	<p>Made clear that SPZs can be 'on an individual site or a series of sites with similar characteristics' (para 9) within a single scheme. SPZs can be for a single use or a wide range of uses, and should be expressed in terms of the Use Classes Order.</p>	<p>Could emphasise the role of multi-site SPZs in providing for flexibility for a range of small businesses.</p>
	<p>Advises on keeping conditions and limitations 'to the minimum' (para 17) and that schemes should 'not be concerned with detailed aspects of development' (para 18).</p>	

Planning Guidance (Wales) Technical Advice Note (Wales) 4 Retailing and Town Centres (November 1996).

Emphasises the role of information on retailing and town centres in helping to prepare development plans and in determining planning applications. Highlights the value of sharing information and views with local businesses and their associations.

One of the more dated TANs.

Especially important TAN, given the significance of town centre location of many small businesses.

Data refers primarily to amount and distribution of different forms of retailing, amounts of floorspace etc. Also considers retailer representation and change, and diversity of uses (paras 4-5).

No reference to 'types' of business by size or form of ownership and operation.

Identifies a threshold for retail developments requiring an impact assessment of 2,500 square metres gross floor space, but also identifies that assessment may be suitable in the case of smaller developments.

Recognises flexibility in the use of floor space as being important to sustaining the viability of town centres (para 8). Highlights capacity to promote conversion of space to use of a flat above a shop without planning permission.

Positive emphasis on flexibility in town centre uses, with important reminder of shop/live units for small businesses. Reminder too of changes of use permitted by development order.

Cautions against cumulative effects of new concentrations of single uses – with example given of restaurants and take-away food outlets.

Calls for flexible approach to parking standards in town centres to encourage development (para 11). Also encourages town centre parking to serve the centre as a whole, rather than individual businesses (para 12), and for edge-of-centre stores to serve a dual role supporting town centre parking. Emphasis placed on encouraging short-term customer parking, rather than for commuting.

Various measures designed to facilitate parking for small businesses in town centres that may not be able to provide customer parking in their own right.

Planning Guidance (Wales) Technical Advice Note (Wales) 5 Nature Conservation and Planning (November 1996).

Advises that some recreational activities in rural settings (e.g. temporary use of land for war games under permitted development rights) need not be incompatible with status of land as a SSSI.

Deals with 'high-level' environmental, nature conservation designations (e.g. those protected by European Directives) and is unlikely to be of relevance to a significant number of small business proposals. Also advises on sites that are not statutorily designated.

Local authorities encouraged to advise applicants for planning permission at an early stage of other licensing regimes that may impact on developments.

Planning Guidance (Wales) Technical Advice Note (Wales) 6 Agricultural and Rural Development (June 2000).

Principal policy emphasis of the advice is on protection of agricultural land and careful consideration of proposals to convert land from agriculture, especially the best quality land.

Important TAN in respect of significance of farm businesses in Wales.

Various other factors highlighted, mainly focused on protecting farm viability (size, proximity to other uses. Effects on capital investment on farms to be included as part of an agricultural case (paras 7-11).

Emphasises that proposals for re-use or adaptation of rural buildings should be based on planning considerations, and not whether it is not longer needed for present agricultural or other purposes (para 12).

Focuses consideration on planning impacts and issues, and not continuing 'need' (allowing that to be a business/farm consideration), with appropriate safeguards to investigate abuse of agricultural permitted development.

Emphasises use of local building styles and materials, but does not rule out use of equivalent natural materials (para 13).

Advises on careful and sensitive use of conditions restricting permitted developments for farm buildings (para 16).

Guidance essentially argues for conditions only where considered carefully justified and necessary.

Suggests LPAs may compile registers of rural buildings with unimplemented planning permission for business re-use – and recognises that conversion of buildings in industrial or commercial use to residential use 'may have an adverse impact on local economic activity' (para 18).

Promotes consideration of tying residential conversions to operation of enterprises where appropriate (para 19).

Recognises that holiday conversions can contribute to the rural economy beyond simple residential conversions (para 20).

Various guidance is provided on farm diversification (farm shops, farm workshops etc). Advises on ancillary use farm shops, and 'positive' use of conditions to enable development to proceed (example supplied of impact on nearby village shops).

Positively encourages small on-farm operations (food and timber processing and packing etc), with local planning authorities to consider the nature and scale of activity (para 25).

Farm enterprises advised not to be 'compromised' by granting planning permission for potentially conflicting uses nearby (e.g. residential permissions within proximity to farms).

	<p>Extended guidance on agricultural and forestry dwellings, highlighting focus on needs of the enterprise and not personal circumstances or preferences (para 40) – local authorities advised to review for cases of abuse.</p>	
<p>Planning Guidance (Wales) Technical Advice Note (Wales) 7 Outdoor Advertisement Control (November 1996).</p>	<p>Sets our various criteria for considering permanent agricultural dwellings, including financial tests of business viability and existing functional need (para 41). Allowances made for temporary agricultural dwellings where the case is not completely proven. Occupancy conditions to be attached, but not to the specific farm or forestry business that justified its establishment.</p>	<p>Guidance is clear on business viability (three years established, profitability for at least one of those years).</p>
	<p>Specifies the basis of the control regime as ‘specified by the Secretary of State’ in the interests of amenity and public safety.</p>	<p>One of the more outdated documents in the TAN series. Key document of relevance to small business applications for advertisement consent.</p>
	<p>Local authorities advised to produce guidance on outdoor advertisements and shopfronts, which should ‘recognise the importance of advertisements to the national economy and should not stifle original designs or new display techniques’ (para 4).</p>	
	<p>Recognises expectation of businesses in the countryside to be able to advertise their whereabouts, but that siting etc needs careful consideration. Suggests combined signage if possible to avoid proliferation, or officially approved highway signs (para 7).</p>	
	<p>Guidance requires local planning authorities to be specific in reasons for refusal of consent to display advertisements, focusing on amenity and public safety ‘at the particular site’ (emphasised, para 13).</p>	<p>Places responsibility on LPA to cite specific reasons for refusal, not simply state general amenity and public safety concerns.</p>
	<p>‘Many conservation areas are thriving commercial centres where the normal range of advertisements on commercial premises may be expected’ (para 17) – flexible use with ‘special attention’ due to conservation area status.</p>	
	<p>Listed buildings – emphasis is on its integrity.</p>	<p>A ‘sharpening up’ of controls in relation to conservation areas.</p>
	<p>Emphasis is placed in speed of decision on the acceptability of proposals for fascia signs and free-standing boards – “this is especially important for small businesses, which need to establish their identity quickly and often cannot afford the time and resources in submitting a range of advertisement options” (para 25). Role of delegation to suitably qualified officers is stated.</p>	<p>Clear and specific reference to the particular needs of small businesses.</p>

**Planning Policy Wales
Technical Advice Note 8
Planning for Renewable
Energy (July 2005).**

Focus of document is on strategic national planning issues and major land use aspects of renewable technologies.

Local planning authorities expected to encourage smaller, community-based wind farm schemes (para 2.12).

Various other, smaller scale renewables are encouraged (biogas, biofuels, solar) etc, subject to suitable safeguards, along with domestic and non-domestic design and energy considerations being raised (section 3).

Identifies a specific role for SPG prepared by local planning authorities in advising on renewables at the local level.

Pre-application advice is emphasised in building in renewables technologies into developments, and local authorities having access to information on these.

**Planning Guidance
(Wales) Technical
Advice Note (Wales) 9
Enforcement of Planning
Control (November
1996).**

Enforcement action 'should be used as a last resort and only when it is expedient' (para 5). Emphasis too on action being commensurate with the breach of planning control, and not taking formal action against trivial breaches, to simply regularise an acceptable form of development etc.

"the cost to the developer of responding to enforcement action may represent a substantial financial burden and this should be taken into account by the local planning authority when deciding how to handle a particular case." (para 7). Advises on exploring how to reduce impacts in amenity.

Outlines the 'positive' use of conditions to enable unauthorised development to continue but with the application of conditions to remedy its amenity impacts (para 12-).

Reference to possibility that local authority in promoting its 'economic development functions' might suggest alternative, suitable sites where enforcement action is being undertaken – but it is not a requirement in its role as local planning authority. Reasonable time limits to be established in cases requiring re-location (paras. 15-16), established in each case and accounting for disruption etc.

"Where a small business or self-employed person is involved, the local planning authority should be aware of the need to minimise disruption to the business and, if possible, avoid any permanent loss of employment as a result of the relocation." (para 18). Also emphasis that even small extensions to periods for compliance can make a significant difference to whether a small business continues to operate or ceases trading.

Emphasises Government commitment to fostering business enterprise, to be borne in mind when dealing with unauthorised development by small businesses.

<p>Planning Guidance (Wales) Technical Advice Note (Wales) 10 Tree Preservation Orders (October 1997).</p>	<p>LPA's to be sensitive to requiring activities to cease that provide 'valued local employment' – accommodated through appropriate compliance periods.</p>	<p>Very limited applicability to needs and interests of small businesses.</p>
<p>Planning Guidance (Wales) Technical Advice Note (Wales) 11 Noise (October 1997).</p>	<p>"provides advice on how the planning system can be used to minimise the adverse impact of noise without placing unreasonable restrictions on development or adding unduly to the costs and administrative burdens of business." (para 3).</p>	
<p>Planning Policy Wales Technical Advice Note 12 Design (2002).</p>	<p>Cautions against siting of noise-sensitive developments close to areas where it would be incompatible with existing noise-generating uses (para 10).</p> <p>Measures to control noise should be 'proportionate and reasonable', and early discussion entered into with applicant.</p>	
<p>Planning Policy Wales Technical Advice Note 12 Design (2002).</p>	<p>Includes role of good design in assisting with economic growth, and takes design to include the relationship of the built environment with economic opportunities.</p> <p>Identifies need to consider long-term management and maintenance implications of design decisions as well as assessing more immediate costings.</p> <p>Emphasises being responsive to local concerns; and not applying prescriptive standards, which can stifle innovation and creativity.</p> <p>Highlights importance of consulting with the private sector in devising supplementary planning guidance – specific reference to shop front design guidance as one example of SPG.</p> <p>Emphasises role of pre-application consultation and importance of policy framework clearly setting out expectations.</p> <p>Advises on simple requirements for design statements for simpler proposals ("a short written explanation may suffice") – para 4.9).</p> <p>'To compete economically, town centres need to identify and exploit their unique "personality" so that they offer different reasons for visits'.</p> <p>Identifies role for 'imaginative' design of signs outside of historic environments, and place of illuminated lighting in busy shopping and commercial leisure areas. Cautions against A-boards for reasons of obstacles to movement. Highlights scope for SPG in providing clarity on advertising locally.</p> <p>Smaller employment premises need to be more closely related in terms of scale and appearance to their context – 'should not mean concealing their purpose' (para 5.61).</p>	

<p>Planning Guidance (Wales) Technical Advice Note (Wales) 13 Tourism (October 1997).</p>	<p>Conversion of rural buildings – ‘requires skilful and sensitive design’ with traditional or innovative designs. Agricultural buildings ‘will often involve the least amount of change possible to external appearance’.</p> <p>Recognises the contribution of tourism to the Welsh economy, provides employment in a wide range of occupations, and brings benefits to local communities.</p> <p>Reference to hotel development and the benefits it brings to the local community. Support for protection of hotel stock in seaside towns to maintain resort status. Positive statements on converting obsolete buildings to tourist and other accommodation.</p> <p>Identifies that extensions to hotels and public houses of moderate size ‘can help ensure the future viability of such businesses’, subject to issues of scale (para 8).</p> <p>Positive on role played by holiday and touring caravan parks in the local tourism economy. Special considerations to apply, though, in National Parks etc.</p> <p>Local authorities asked to give sympathetic consideration to applications to extend opening period of existing permissions (para 14).</p> <p>‘Conversions of redundant buildings into holiday accommodation where conversion to residential dwellings would not be permitted may reduce the pressure on other housing in rural areas’ (para 15), managed through seasonal occupancy conditions.</p>	<p>Generally restrictive approach to development within the coastal zone, placing an onus on the developer in certain instances to justify the coastal location of development where restrictions are held to apply.</p>
<p>Planning Guidance (Wales) Technical Advice Note (Wales) 14 Coastal Planning (March 1998).</p>	<p>Identifies the severe disruption that flooding can cause to ‘business and commerce’ (para 2.1). Highlights also the impacts on insurance cover arising from increased occurrence of flooding.</p> <p>Sets out a precautionary framework to guide planning decisions.</p> <p>Industrial, commercial, employment and retail development defined as ‘less vulnerable development’, giving occupants an opportunity to decide on whether to accept higher levels of risk of flooding (Para 5.2).</p>	

	<p>Emphasises balanced judgment on development in urban areas where flooding may occur, ensuring that there would negative economic and social consequences if investment in existing urban areas were precluded. Development forming part of a regeneration scheme can be justified in certain areas. Acceptance acknowledged that such areas will be subject to flooding and planned for accordingly.</p>	<p>Could provide further exploration and guidance of town centre locations as places of commercial activity and small business concentration.</p>
<p>Planning Policy Wales Technical Advice Note 16 Sport, Recreation and Open Space (January 2009).</p>	<p>Certain criteria noted for designing mitigation measures in development subject to flooding (7.3) Funding for provision and long-term maintenance need to ensured by developers.</p>	<p>These criteria do not include any recognition of costs to businesses and the desirability of minimising these.</p>
	<p>Refers to changes of use in certain areas leading to more vulnerable uses, and possibly requiring a commensurate to scale flooding consequences assessment.</p>	
	<p>Recognises the environment being important for a range of purposes, including ‘for economic opportunities’ (1.5).</p>	
	<p>Reference to Assembly’s ‘Climbing Higher’ (2005) strategy promoting 75% of employees having access to sport and physical recreation activity facilities at, or within 10 minutes walk of the workplace.</p>	
	<p>Reference to linking recreation and tourism benefits.</p>	
	<p>Importance of providing developers with certainty about the type of development that will be permitted at a given location through clear, effective and well-implemented planning policies.</p>	
	<p>Local authorities to ensure that new development – ‘including that in commercial and industrial areas’ – makes adequate provision to meet the recreational needs arising (3.15).</p>	
	<p>Facilities in rural areas to be located in or adjacent to settlements, with those in open countryside requiring special justification – but ‘appropriate proposals linked to farm diversification may be given favourable consideration’ (3.18).</p>	
<p>Planning Policy Wales Technical Advice Note 18 Transport (March 2007).</p>	<p>Notes potential effect of congestion on economic competitiveness (2.1) and role of transport infrastructure in building a stronger economy. Links noted to integration with economic development and wealth creation.</p>	<p>An extensive and relatively lengthy TAN (some 58 pages including appendices/ annexes).</p>
	<p>Local authorities should seek to achieve a broad balance between housing and employment opportunities to minimise the potential need for long distance commuting (3.3).</p>	
	<p>Advises that significant new housing schemes should ensure ancillary uses such as local employment ‘where appropriate’ (3.4).</p>	

Identifies the dispersion of job opportunities as a distinctive characteristic of rural areas (3.10).

Identification of key local service centres can comprise a 'closely associated group of villages' (3.11).

Possibility raised of a decentralised approach to employment location in rural areas (3.13).

'Local authorities should adopt a positive approach to farm diversification in rural areas, irrespective of whether farms are served by public transport' (3.14) – a small-scale economic development activity. However, a tighter approach is taken on tourist activities more generally to facilitate public transport accessibility.

Economic development objectives should be considered in devising maximum car parking standards (4.7).

Highlights role of conditions in managing freight movements for developments in proximity to residential areas.

Planning Policy Wales Technical Advice Note 19 Telecommunications (August 2002).

A more 'technical' style of Technical Advice Note explaining various types of equipment and technical operation requirements for communications equipment. Very little reference to economic or business considerations in general terms. Does, however, contain some general principles on liaison with developers, use of planning conditions etc.

Planning Guidance (Wales) Technical Advice Note (Wales) 20 The Welsh Language – Unitary Development Plans and Planning Control (June 2000).

Reference to Welsh language as part of the 'social and cultural fabric of Wales'. Identifies that 'a sound economic base to maintain thriving sustainable communities 'will influence the future well-being of the language (4).

Emphasis generally on housing as key type of development with potential impacts on the Welsh language.

Detail at paragraph 7 on language and economy, stating 'The distribution of economic growth can also affect the character of different areas including the linguistic balance. Policies to ensure that there is a sufficient level and range of economic opportunities to support and develop local communities would benefit the Welsh language'. Advises on careful consideration of location of larger developments 'to secure economic benefits while not eroding the position of the Welsh language'.

**Planning Policy Wales
Technical Advice Note 21
Waste (November 2001).**

Role of land use planning system noted in helping to meet the needs of business and encourage competitiveness (1.10), balanced alongside other factors.

Local planning authorities encouraged to assist developing industries to find sites for and overcome obstacles to proposals for reducing landfill through biodegradable waste management (1.17).

Advises on waste re-use as a resource that 'can provide additional economic benefits to an area' (3.7) – as part of a waste management hierarchy. Also emphasises socio-economic considerations in managing waste and associated decision-making.

Reference to financial incentives (Landfill Tax) for industry to generate and dispose of less waste to landfill.

Neil Harris
Revised April 2009

Annex C. Recommendations to the Federation of Small Businesses in Stage One of the Project.

The following are the recommendations based on stage 1 of the project:

1. The Welsh Assembly Government, local planning authorities and other partners (for example, Planning Aid Wales) to prepare a **series of publications for small businesses** on the types of development most commonly applied for. These should include change of use (including, specifically, to A3 uses), signage and advertising, and minor physical alterations to town centre premises (such as shopfront design). This could be complemented by a **basic guide to 'general planning considerations'**. Information should be in a simple, leaflet format that can be distributed in hard copy to small business applicants at an early stage. Website publication should also be used to publicise information, although this should not replace hard copy circulation.
2. Production of a simple **guide to 'when permission is needed' that is directed at trade organisations** in certain sectors (for example, sign manufacturers and installers).
3. Local planning authorities to be encouraged to **review procedures for recording pre-application advice** given by officers and to explore more effective ways of communicating that advice to potential applicants. This may require a degree of formalisation of the processes of providing and recording pre-application advice.
4. Local planning authorities consider introducing mechanisms for being proactive in **identifying whether persons seeking pre-application advice are small businesses**, so that suitable guidance can be issued and advice given at an early stage.
5. Local planning authorities to aim to ensure **continuity between the officer providing pre-application advice to a small business and the allocation of the case officer** once a planning application is submitted. This may be extended to the establishment of a **dedicated small businesses team** comprising a small number of planning officers that are trained and briefed in the service needs of small businesses.
6. Local planning authorities compile **'sample' planning applications** made by small businesses for use by other businesses in completing planning application forms and supporting documents. These could be included as pre-application guidance issued to small businesses.
7. Local planning authorities to provide **training or briefing sessions in basic planning issues for council officers engaged in other local authority services** that may encounter potential small business applicants (e.g. regeneration officers, agricultural officers, town centre managers, small business grant officers etc). This would enable such officers to know when to refer small businesses for specialist advice and avoid incorrect and/or inconsistent advice being issued.
8. Continuing improvements to be made to the **effective liaison between building control and development control functions** within local authorities.
9. Local planning authorities to provide small business applicants with the opportunity of the planning application **site visit being conducted with the applicant present**.
10. Emphasise guidance to planning officers working in local planning authorities to ensure that small businesses are **not requested to submit more information with their planning application than is strictly necessary**.
11. Local planning authorities to be encouraged to provide **clearer guidance to applicants on the reasons for requesting amendments** to submitted planning applications. This should include explaining any reasons for changes that may have been introduced in the quality or standard of development required in an area. Local planning authorities should be clear on whether an attempt is being made to improve the quality of the proposal, or whether a refusal of planning permission is likely without changes to the application as submitted.

12. Promotion of early discussion between the local planning authority and applicants of any **conditions that might be attached to a planning permission** if successfully applied for, including at pre-application stage where possible.
 13. Further promotion by local planning authorities of **public speaking rights at planning committee**.
 14. Local planning authorities to be proactive in offering opportunities for **constructive discussion on re-submission to small business applicants** that have had planning permission refused.
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