

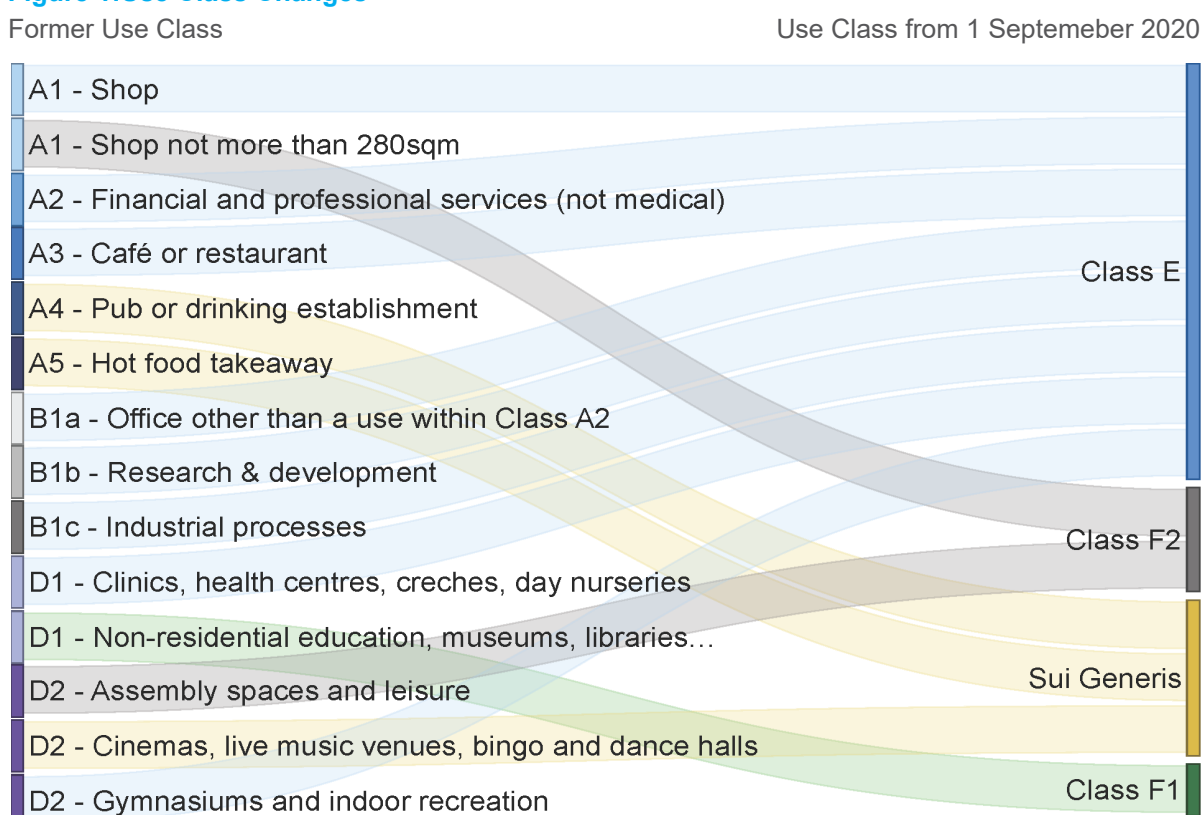


# Class E - Key Messages for LPAs

March 2023

In June 2022 Quod was appointed by the Planning Advisory Service (PAS) to undertake an evidence-based study into how the introduction of Class E through The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 has impacted town centres in England.

Figure 1: Use Class Changes



Class E is a new use class which amalgamates the majority of former use classes A, D and B1 into a new broad 'commercial, business and service' use class. The effect of this change is that movement between these uses is no longer defined as 'development' and therefore does not require planning permission.

Introduced in September 2020, the Government had the following objectives for Class E:

- to better reflect the diversity of high streets and town centre uses;
- to provide greater flexibility for adaptation to changing demands within units;
- to support greater flexibility of uses over the course of the day and into the evening, and during weekdays and weekends;
- and support the recovery of high streets and town centres from the Covid-19 pandemic.<sup>1</sup>

Quod's study explored how Local Planning Authorities ('LPAs') are responding to Class E and the extent to which Class E has delivered against the objectives. In considering the findings of the study, Quod has identified some key messages for LPAs to consider and take forward in their practice. These are based on the evidence found through the study and are set out overleaf, as useful good practice or experience to assist LPAs in setting their own policy and practice on Class E and town centres.

<sup>1</sup> Paragraphs 7.1 to 7.3, Explanatory Memorandum to The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020.



- 1. Flexibility in defining town centres and high streets:** while it is a requirement of policy<sup>2</sup>, defining town centres and high streets as primarily retail destinations does not reflect the reality of how places are used by residents and businesses, and indeed how they are changing. Town centres and high streets are just as much places of service consumption, for leisure, and civic engagement as they are retail centres. As such, **officers should consider flexing or extending town centre boundaries to incorporate a wide range of uses which reflects how people want to use these places.** This could be informed by a more regularly updated local evidence base, such as utilising data collected by the Valuation Office Agency (VOA) (see Point 2).
- 2. Improvements in data collection and quality:** Data from the VOA<sup>3</sup>, LPA survey data and other private sources of data are valuable resources that can help build a comprehensive, up-to-date picture in relation to Class E to support planning practice and policy making. In particular, this data can help inform an awareness of uses and vacancy rates. It is important that data is shared across teams within LPAs to ensure joined up communication and cross-working is achieved. **Working with the VOA, DLUHC can explore the opportunity to increase accessibility to relevant data sets, to help Government and LPAs monitor changes in high streets and town centres.**
- 3. More inclusive local policy:** Some LPAs are embracing Class E with increasing flexibility in emerging policy, whereas others are retaining a more prescriptive approach to policy on the type and proportion of uses deemed acceptable in a town centre or high street. Increased flexibility within policy helps to support the objectives of Class E to foster increased diversity, vitality and resilience on high streets and in town centres, including efforts to sustain them at different times of the day / week. **Officers should consider how less prescriptive policy can help support the objectives of Class E.**
- 4. Aligning national policy:** Some elements of national policy and guidance do not sit easily with Class E and the flexibility it creates for town centres and high streets, for example the NPPF definition of ‘main town centre uses’ does not fully align with all of the purposes within Class E. This can also create challenges in planning for, and meeting, business employment needs in line with the NPPF and PPG. **Officers should be reassured that DHLUC is aware of these issues and is considering how best to address them.**
- 5. Potential of Class E:** The introduction of Class E has raised concerns in some LPAs of unintended consequences, such as the risk of losing active ground floor uses. However, identified cases of this are limited, with a largely positive reception from LPAs who have embraced the opportunities of Class E. **Officers should have confidence that Class E can help rather than hinder good placemaking.**
- 6. Consider the impacts of conditions:** Use of conditions to unnecessarily restrict development to certain Class E purposes is not in line with the objectives of Class E. **Officers should consider the long-term impacts of conditions on the ability of units to adapt and diversify to changing demands over time.** Developers are not yet challenging the imposition of such conditions at decision stage, however this may create problems down the line as landlords/tenants seek more flexibility. Conditions will need to continue to meet the tests set out in Paragraph 56 of the NPPF.
- 7. Education around Class E is key:** Understanding of the purpose and function of Class E varies. Change of use within Class E does not require planning permission, it is not ‘Permitted Development’ and does not require prior approval. **Planning departments should ensure that officers have an accurate grasp of Class E and the associated regulations.** In addition, **officers should take steps to educate applicants, such as providing clear information online.** This helps to reduce applications thereby freeing up resources, and supports Class E to achieve its objectives.

Whilst the study has identified some interesting findings, Class E is only two years old. There is potential for further investigation into Class E once more time has passed. **It is important for LPAs, PAS and DLUHC to continue to work together to understand the evidence of impacts, and how best to evolve policy and planning practice to ensure the future success of town centres and high streets.** This is particularly important in the context of the cost of living crisis and economic downturn creating additional pressures for our town centres and high streets.

<sup>2</sup> NPPF paragraph 86b.

<sup>3</sup> For example, the Non-Domestic Ratings list compiled by the VOA provides a unique insight into changes in land use across the country. However, this is not currently available to LPAs at the hereditament (or property) level which limits its use.



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