**Planning for Town Centres in London: Michael Bach**

Is planning policy for town centres and retail development changing? How might PPS6 be changed? What would changing the policy tests mean or introducing a competition test for supermarkets? Is there a London dimension to all this?

After a decade of policy stability the Government still maintains that "town centres first" is still their aim. The Barker Review of Land Use Planning, the main driver of the current Planning Reform agenda, and the Competition Commission's inquiry into Grocery Markets (ie supermarkets) have created a good deal of uncertainty, although perhaps less so in London than elsewhere.

But then London is different – more of its shopping is still in town centres than the rest of the country. In England for the first time ever there is more shopping floorspace outside town centres than in centres and, despite the large number of new city and town centres shopping schemes, nearly two-thirds of new retail floorspace built in England in recent years was built out of centre. In London, by contrast, about 60% of new retail floorspace completed between 1999 and 2005 was in a town centre – the highest performing region in England – but, with 40% still outside town centres, there are no grounds for complacency.

London has had major out-of-centre schemes – although the biggest - Westfield London, Stratford City and Brent Cross/Cricklewood - have yet to open. London has a fair number of retail warehouse parks, major retail warehouses (IKEA, B&Q, Homebase, etc) and large superstores, but less than other regions.

**Looking ahead**

So what could the effect of policy change be over the next 10 years? There is no easy answer. Firstly, a large amount of new retail floorspace likely to be completed in the next decade is already in the pipeline, especially the large shopping centres already mentioned, but also large town centre schemes in Croydon, Kingston, Wood Green, Bromley. Ilford, Romford, Woolwich, Wembley and Brentford. The number of retail warehouse schemes has declined, but there are a number of superstores in the pipeline.

Secondly, the revised London Plan 2008 still puts town centres first with the main thrust being to expand the larger town centres, but nevertheless has relaxed the cap on White City, endorsed the expansion of Brent Cross through its association with Cricklewood, and retains references to major retail development in Battersea.

Thirdly, however, looking further ahead, the need for more retail floorspace, especially comparison shopping will continue to rise. Finding new large sites will require major town centre redevelopment schemes. Whether these happen will depend on whether the planning system continues to put town centres first. It is a matter of investor confidence.

The big question, however, is what will happen with supermarkets and the degree to which they sell non-food, comparison shopping. There is little room in London for the largest hypermarkets – most have been the result of large-scale extensions of existing stores. Applications for more such stores would be one of the main beneficiaries of any relaxation of the “need test”.

Finally there is the proposal by the Competition Commission to introduce a “competition test” where one supermarket company would have 60% or more of the supermarket floorspace in a “local market”. This is unlikely to have much effect ion London as a combination of overlapping local markets and few if any dominated to this degree, mean that it will have little application in London.

Overall, therefore, the biggest influence on the pattern of shopping in London over the next decade is going to be the big schemes that are already in the pipeline which may have major consequences for centres in their shadow – whether in West London due to White City/Westfield London or in East London due to Stratford City. The Metropolitan centres will consolidate their lead whilst supermarkets will take a growing share of non-food retail sales.

The key message, however, is that for London’s town centres to remain attractive and competitive London Boroughs must plan for their future growth and take a more hands on approach to managing their future.