

**Our ref:**

**Date:** 13 October 2009

Dear Sir/Madam,

## **Review of Measures Designed to Support London's Local and Neighbourhood Shops**

The London Assembly's Planning and Housing Committee has agreed to carry out a short review of how the planning system, and other initiatives, can provide support for London's local and neighbourhood shops and small independent shops.

I am writing to request your help with this review. The findings of the review will form the Assembly's contribution to policy development as part of the London Plan review process from now until the Examination in Public in the summer of 2010.

Your contribution is sought on all or some of the following questions:

1. What pressures do small shops and neighbourhood and local shopping centres face e.g. threats to economic viability, changes in shopping patterns, competition?
2. What are the advantages of local centres that provide convenient access to goods and services that are needed on a day-to-day basis?
3. How effective the planning system is in supporting small shops in local high street and where has it failed in recent years?<sup>1</sup>
4. What are London local authorities doing to support small shops and neighbourhood and local shopping centres through the planning system, Development Plan Documents, or proposals under the Sustainable Communities Act?
5. What, if any, progress has been made in relation to planning and related areas following the recommendations made by a number of bodies over the past years?<sup>2</sup> (e.g. Parliamentary Small Shops Group in 2005, New Economics Foundation -Clone Town Britain, Competition Commission Inquiry into the UK Groceries Market, 2008)
6. How can the Mayor's commitment to help protect the high street best be implemented through London Plan and other policies?<sup>3</sup>
7. What outstanding actions and opportunities are in order to support and to help small independent retailers in London and facilitate ongoing support?

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<sup>1</sup> The relevant existing national planning policy is at Appendix 1 of this letter

<sup>2</sup> A fuller list of previous work published on this subject is at Appendix 2 of this letter

<sup>3</sup> The existing London Plan policies are set out in Appendix 3 of this letter

If there is any other information you think is relevant to the review please let us know.

The questions above relate to the terms of reference for the review that are:

- What are the benefits of small, local and independent retailers to London? (In what locations do we define these types of shops?)
- What evidence is there to show that they may be under threat and what are the main threats faced by small, local and independent retailers?
- What policies have been proposed to support small, local and independent retailers and what progress has been made in implementing them?
- What can the Mayor do through the planning system to support small, local and independent retailers?

The Committee is working with a definition of local and neighbourhood shops that covers those smaller local centres that provide convenient access to goods and services that are needed on a day-to-day basis, especially those that are accessible on foot and serve as a focus as a neighbourhood centre. Background to the review can be found on the Assembly website here: <http://www.london.gov.uk/assembly/planning/2009/oct13/item07.pdf>

Given the ongoing postal service difficulties I would be grateful if you could send any response to these questions by email to Alex Beer ([alexandra.beer@london.gov.uk](mailto:alexandra.beer@london.gov.uk)). We are working to a tight timescale and I would appreciate any information you could send us by **Wednesday 3 November**.

We will use all written views and information provided to inform our committee meeting on 10 November 2009 and our report, which we expect to publish at the beginning of next year.

We are keen to hear from a wide range of organisations and individuals as part of our review. If you are aware of any other organisations or individuals that may want to contribute their views, please forward this letter to them.

Unless your written responses are marked confidential, we may copy them to others as part of the project. Please state whether you would like your response kept confidential at this stage. Under the Freedom of Information Act 2000 we are required to release copies of your written responses if members of the public or the media request them. In due course, we will publish all written evidence together with the final scrutiny report on the London Assembly's website.

The Committee appreciates your help in this review and we look forward to receiving your comments.

Yours sincerely,



Jenny Jones AM

**Chair of the London Assembly Planning and Housing Committee**

## Appendix 1 – Related policy and study reports into small shops

- In planning terms, support for retailers is provided by the national Planning Policy Statements. **PPS6** (Planning for Town Centres) promotes vitality and viability of town centres by planning for the growth and development of existing centres and enhancing consumer choice by making provision for a range of shopping, leisure and local services.
- In July 2008 the DCLG launched a public consultation on its **Proposed Changes to PPS6** which put forward a new way to assess the potential impact of out-of-centre development proposals, and replacement of the 'need' test<sup>4</sup> with an impact test.
- **Draft PPS 4** brings together key planning policies relating to the economy and streamlines and simplifies policy to focus on the requirement that development plans need to have clear, proactive, proportionate and flexible policies aimed at supporting the start up and growth of businesses, attracting inward investment and safeguarding the town centres.

## Appendix 2 – Previous studies and recommended planning measures to support local shops

- Already in 2003 at the request of both the small retailer sector and a number of interested MPs and peers, the All Party Parliamentary Small Shops Group (House of Commons) was established who in 2005 produced the '**High Street Britain: 2015 Report**'. The report attempted to highlight the problems of the smaller retailer (as distinct to large multiples) and to draw attention to their social as well as commercial role<sup>5</sup>.
- This report and the subsequent political debate set the background for the announcement of the Competition Commission **Inquiry into the UK Groceries Market**, focusing on supermarket practices. The final report of the Competition Commission's inquiry was published in April 2008<sup>6</sup>. More recently, in August 2009, the Commission published their final **Groceries Supply Code of Practice**<sup>7</sup>, which is based on the existing Supermarkets Code of Practice.
- Also in 2008 Lord Cotter (Lib Dem) introduced a private **Retail Development Bill** into the House of Lords. The Bill seeks to provide support for small retail premises; to establish the Office for Retail Planning; and to make provision about retail planning and development<sup>8</sup>. The Bill was passed through the House of Lords where it received mixed responses during readings. Some Lords were concerned that the Bill contained too many order making powers. The Bill was not introduced to the House of Commons.
- With a particular but not exclusive view on planning, a comprehensive report of the **Commission on Retail Conservation ('A balance of trade')** to the Royal Borough of Kensington and Chelsea published in 2007 presents the findings of the Commission and

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4 PPS6 requires local planning authorities to request from applicants to demonstrate the need for retail development outside dedicated shopping areas (paragraphs 3.8–3.11)

5 House of Commons All-Party Parliamentary Small Shops Group (2005): High Street Britain: 2015

6 Competition Commission (2008): The supply of groceries in the UK market investigation

7 Competition Commission (2009): The groceries (supply chain practices) market investigation Order 2009 (coming into force on 4 February 2010)

8 <http://www.publications.parliament.uk/pa/ld200708/ldbills/023/2008023.pdf>

sets out recommendations for the Council – but also for the government, other local authorities, landlords and retailers<sup>9</sup>.

- Some of their recommendations correspond with or follow on from recommendations made in 2005 by the independent Think Tank NEF (New Economics Foundation) in their widely recognised **'Clone Town Britain' Report**<sup>10</sup>.
- Conservative Parliamentary Enterprise Group published a **'Strategy for successful community hubs'** through their Commission into small shops in the High Street in July 2008. It suggests a new framework together with possible options through which new local ventures can be mobilised to support a new wave of community revitalisation, be it in towns or in the village high street<sup>11</sup>.
- This tallies with an earlier statement made by Communities Secretary Hazel Blears in April 2009 who said that temporarily converting empty shops into social enterprises, local art displays or learning centres will help innovative communities prevent high streets declining<sup>12</sup>. A range of measures have been published in a practical guide called **'Looking after our Town Centres'** that identifies ways and steps communities can take to keep town centres thriving<sup>13</sup>.

The most significant recommendations made by these studies that relate to the planning system are summarised below:

- Creation of supermarket watchdog or retail ombudsman
- Changes to Use Classes Order: creation of 'small shops' use class and 'coffee shops and Internet cafés' use class
- Introducing requirement for planning permission for a merger of a ground floor retail unit of less than 80 m<sup>2</sup> with another unit
- Retention of the needs test
- Introducing requirement for local authorities to adopt a retail strategy
- Development of retail focused regeneration units in all Regional Development Agencies
- Implementing recommendations of the Hampton review (greater synergy between planning authorities, Town Centre Managers, community workers, market officials and national departments and agencies)
- Use of planning law, S106 agreements and "Retail Levy"
- Implementing Irish-style retail planning guidelines to control and cap the size of supermarkets
- Applying local proximity protection
- Inclusion of a 'diversity' test to be incorporated into all retail planning guidance
- Promotion of street and farmers' markets, tourism and historical buildings to emphasise a community's distinctive feel

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9 Commission on Retail Conservation (2007): <sup>A</sup> balance of trade - Report to the Royal Borough of Kensington and Chelsea

10 The New Economics Foundation (2005) - Clone town Britain

11 Conservative Parliamentary Enterprise Group - Commission into small shops in the High Street (2008): Strategy for successful community hubs

12 <http://www.communities.gov.uk/news/corporate/1201277>

13 Communities and Local Government (2008): Looking after our Town Centres

## **Appendix 3 – Existing London Plan policies**

### London Plan – Consolidated with Alterations since 2004 (February 2008)

The Mayor is responsible for strategic planning in London and must produce a Spatial Development Strategy for London and keep it under review. London boroughs' development plan documents (DPDs) must be in 'general conformity' with it.

The Greater London Authority (GLA) Act 1999 requires that the London Plan deals only with matters that are of strategic importance to Greater London and that it takes account of the health of Londoners, equality of opportunity and its contribution to sustainable development in the UK.

Of particular relevance in supporting small independent shops are the following policies and strategies:

- *Policy 3A.18 Protection and enhancement of social infrastructure and community facilities*

This policy advises Boroughs that policies in DPDs should seek to ensure that appropriate social infrastructure and community facilities (including convenience shops, banking facilities and post offices) are provided within easy reach by walking and public transport for the population that use them. The net loss of such facilities must be resisted and increased provision be sought, both to deal with the increased population and to meet existing deficiencies.

- *Policy 3D.1 Supporting town centres*

The Mayor states that he will and boroughs should enhance access to goods and services and strengthen the wider role of town centres. DPD policies should, among other things:

- encourage retail, leisure and other related uses in town centres and discourage them outside the town centres;
- improve access to and within town centres by public transport, cycling and walking;
- enhance the competitiveness and quality of retail and other consumer services in town centres; and
- support and encourage town centre management, partnerships and strategies including the introduction of Business Improvement Districts in appropriate locations and appropriate provisions to support the safety and security of town centres.

- *Policy 3D.3 Maintaining and improving retail facilities*

This policy states that boroughs should:

- work with retailers and others to prevent the loss of retail facilities, including street and farmers' markets, and to encourage mixed use development
- establish local retailing information in collaboration with local communities and undertake audits of local retail and service facilities
- provide a policy framework for maintaining, managing and enhancing local and neighbourhood shopping facilities

The Mayor is currently consulting the public on a draft replacement London Plan. Policies in this draft relate to supporting a successful and diverse retail sector (including support for small shops) and sustaining town centres. The Mayor's proposals can be found here:

<http://www.london.gov.uk/shaping-london/london-plan/>