



RTPI

mediation of space · making of place

RETAIL AND TOWN CENTRES

PPS6 UPDATE

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UPDATE

- Last year - Barker Interim + CC on Supermarkets = uncertainty
- What has happened?
 - Barker Review Final Report
 - Competition Commission Emerging Findings
 - Lobbying on content of Planning White Paper
 - Planning White Paper
- Prospects
 - Consultation on changes to PPS6: Need + Impact
 - Competition Commission Report
 - Changes to PPS6 + Good Practice Guidance
 - New PPS4: Planning for Economic Development
 - General Election



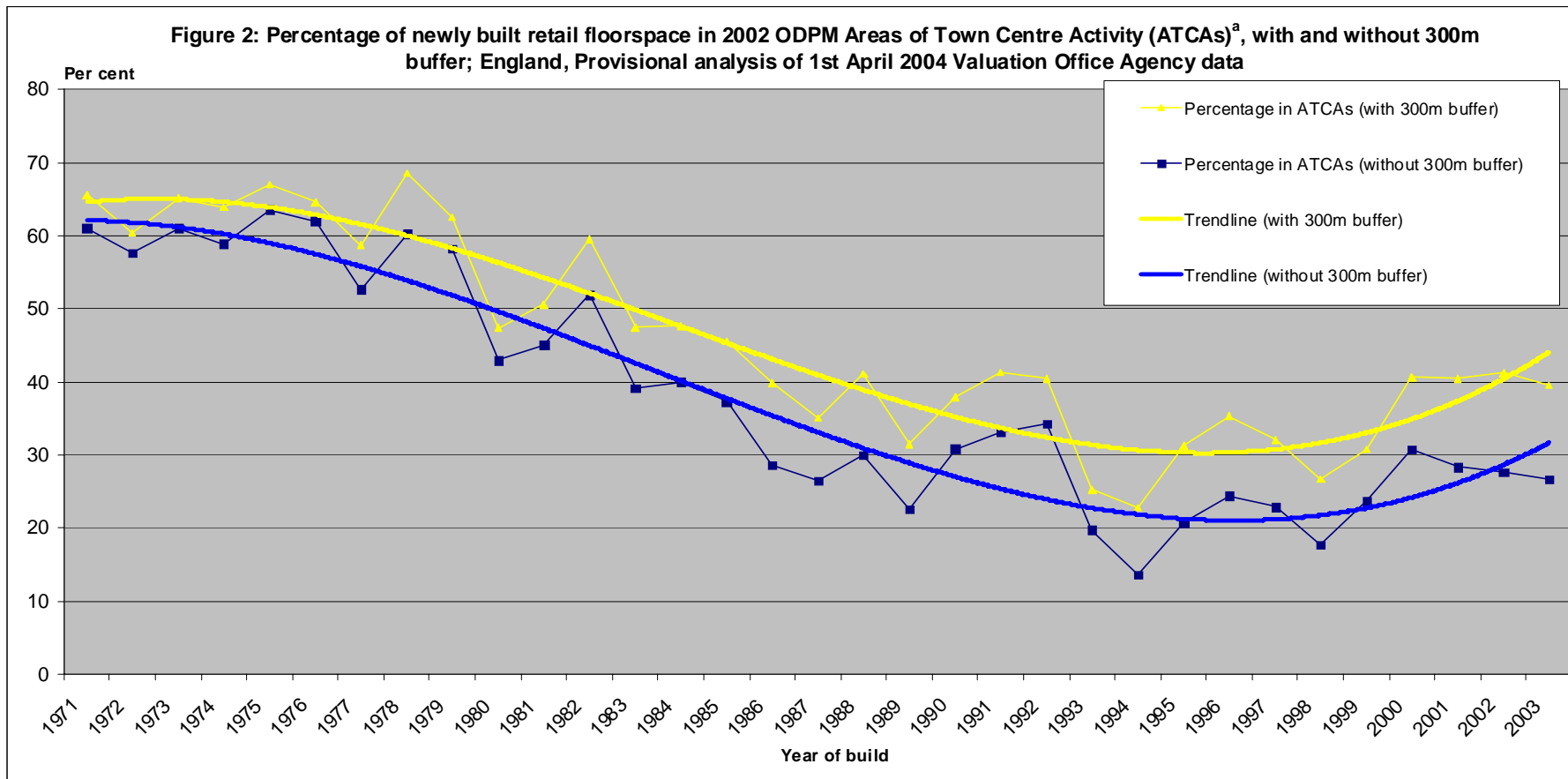
GETTING THINGS INTO PERSPECTIVE

How much retail floorspace is in town centres:

- First time more than 50% of retail floorspace outside centres
- % new floorspace outside town centres over 50% since 1980
- Still 65% outside town centres after a decade of TCF policy
- Most of large-format out-of-centre stores built since 2000



ODPM completions data





DELIVERING TOWN CENTRES FIRST POLICY

% of new retail floorspace in town centres: 1999-2005

Who is delivering town centre retail?

- Shopping centres 80%
- Supermarkets 10-15%
- Retail warehouses 6%

Region

London	59	East	31	South West	16
W Midlands	46	E Midlands	31	England	35
North	40	North West	25	Scotland	22
South East	38	Yorks/Humber	25	Wales	19



HAS PPG6/PPS6 WORKED?

- % of new retail floorspace in town centres in England risen from 14% in 1994 to about 35% today - but 65% still outside centres, but closer to them.
- Most change due to large schemes (>5,000 sqm):
 - shopping centre schemes in top 50 town and city centres; and
 - large-format out-of-centre stores (supermarkets & retail warehouses)
- Challenges:
 - to extend town centre schemes to next 100 centres
 - to support medium-sized/smaller centres facing out-of-centre schemes
 - competition from new “destinations” - new centres/town centre schemes



BARKER REVIEW

- Main concerns - green belt, major infrastructure projects, independent planning commission and.... **the “need test”**
- Support town centre first policy, use of need assessments for development plans and sequential and impact tests for out-of-centre retail development, **but**
- proposed removing “need test”
- If competition an issue - how should planning address it?
- Support need for more robust evidence base for policy!



BARKER - WHY REMOVE NEED?

Barker considered:

- use of “need” information in assessing proposals “inappropriate”
 - need is a material planning consideration
- requiring need to be demonstrated as unnecessary and costly
 - needs assessments are undertaken by Ipas and used in preparing business plans - costs greatly exaggerated
- inappropriate to turn down proposals where there was a lack of need

This was based on opinion rather than facts (evidence)- they are statements of belief.



COMPETITION COMMISSION EMERGING FINDINGS

- Lack of evidence of problems with “need test” - mainly argument about “potential” adverse effects
- Noted Barker’s “view” and lack of evidence
- Further research papers - no evidence that “need test” affects size of new supermarkets: England v Scotland
- BCSC research: % of all new retail floorspace out of centre significantly higher in Scotland where no “need test”



LOBBYING FOR CHANGE?

Who wants abolition of “needs test”?

- very few advocates - a supermarket operator and some large-format retailers
- Vast majority of stakeholders against proposed change - retail property industry, retailers, property professions, NGOs, etc
- Barker distances herself from recommendation



PLANNING WHITE PAPER

- Most recommendations do not affect town centres
- Government reaffirms commitment to town centres first policy
- Main emphasis:
 - improving the effectiveness of policy
 - encouraging investor confidence to locate in town centres
 - encouraging lpas to produce robust, up-to-date, evidence-based plans based on understanding of need and demand for new facilities, but
 - concern about potential “unintended effect” of deterring edge-of-centre developments
- Proposal:
 - review current approach and replace need and impact tests in PPS6 with new test with strong focus on TCF policy, promotes competition and consumer choice, whilst avoiding unintended effects of need test



WHAT CHANGES CAN WE EXPECT?

- Only changes - how applications should be assessed (3.8-11/3.20-23)
- Revise need & impact tests to create new test/ assessment framework
- Clarify the role of information on future need and capacity as an output of impact assessment - need is integral part of impact assessment
- Clarify what impacts need to be considered and how - competition, consumer choice, local economy, etc
- Advice on how to undertake assessment of retail development, out-of-centre only or all schemes?
- Greater emphasis on positive plan making
- Ensure existing tools (eg conditions) are used effectively



NEW IMPACT TEST: CONTENT

- Risk to spatial strategy for area, centre and network of centres
- Likely effect on future public & private investment
- Likely impact on turnover & on v&v of existing centres, particular retail sectors and on local economy
- Changes consumer choice - to the range of services provided
- Impact on attractiveness, character of centre and its role in economic & social life of community
- Likely impact on competition (appropriate? Ltd to supermarkets?)

NB: Need and capacity will be essential ingredients



NEW IMPACT TEST:

- What form should it take?
 - Assessment framework?
 - emphasises overall assessment
 - ensures greater transparency and completeness
- Who should do?
 - Applicant should provide retail impact assessment, but
 - Is Ipa better placed to assess other impacts?
- What information will be required?



NEXT STEPS

- Consultation on new test and guidance - awaiting conclusions of Competition Commission (late October?) - consultation later this year
- Changes to PPS6 and Guidance to be published (Spring 2008)
- Consultation on new PPS4: Planning for Economic Development - will it cover town centres? New style - short and strategic
- Competition Commission Final Report - will it expect planning to tackle competition between supermarkets?
- General Election - pressure from other parties to strengthen not weaken town centres first policy



CONCLUSIONS

- All-party support TCF policy to continue
- Planning **for** town centres must become a reality through RSSs and LDFs - understanding need, having a vision and strategy for town centres and making provision for:
 - expansion of town centres,
 - redevelopment of town centre/edge-of-centre sites;
 - regeneration of district and local centres; and
 - where appropriate, designation of new centres
- Need to create confidence for private sector to invest in large and medium-sized town centres - still under threat from large-format out-of-centre stores, especially supermarkets.
- Need better annual monitoring of effectiveness of TCF policy



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