

Regenerating deprived areas through retail-led development

Practitioners' Workshop - 27 November 2006

1. Introduction

For many, regeneration is chiefly restricted to physical expression, to 're-use', and is largely about improving the built environment. Brownfield sites, historic buildings, an old town centre, or disused industrial land are used to create new shopping centres or luxury housing, with amenities to match, often replacing tired social and high-rise housing with some social or 'affordable' housing thrown in for good measure. For others, regeneration has a more socio-economic dimension, where benefits are measured through the impact on the surrounding community or tackling disadvantage through addressing issues such as poor educational achievement or unemployment and promoting enterprise development. Where there are failures, it comes in the apparent inability to marry these two approaches in order to achieve real and sustainable change.

At its best, retail can bring tremendous economic benefits to global and local communities: improved access to quality, low cost products; increased employment and training opportunities; local business development through supply, service and construction contracts; and a multiplier effect from strategic site selection that brings increased footfall to support existing traders and attract additional investment. The physical investment can assist in improving the built environment, both aesthetically and through the provision of infrastructure improvements and additional housing or commercial space.

At its worse it can have the opposite affect. From town centres to local high streets, nowhere can the negative impact be more profound than in the deprived and low income communities, where lack of economic opportunity underlies and exacerbates a range of social issues.

As such, one measure of success for retail-led regeneration and investment should be how it brings socio-economic benefits to local economies and communities, particularly the disadvantaged. In order to achieve these benefits from inward investment, objectives and strategies need to be established and developed to ensure that benefits accrue to local economies.

The Underserved Markets project research has found that areas of deprivation are not limited to town centres, which raise a question - how should the planning system consider proposals for retail investment in deprived areas?

Two key challenges underlie this discussion:

- When and under what circumstances would investment be appropriate to consider
- How to ensure that there are positive impacts, and not negative ones.

2. Workshop

In 2005, Planning Policy Statement 6 (PPS6); *Planning for Town Centres*, replaced the previous policy document; *Town Centres and Retail Developments* (PPG 6). One of the changes introduced was a greater emphasis on using planning for retail development to meet the needs of deprived areas. To promote broader understanding of this change among a wider group of practitioner, a short, focused practical guide is being developed to explain how to maximise the benefits of retail-led investment in deprived areas. This 'how to' guide is intended to complement DCLG's forthcoming; practice guidance to PPS 6, in relation to the assessment of need and the impact of new town centre development, and the application of the sequential approach.

In order to make sure that the guide is rooted in the experiences of practitioners; BitC, DCLG and the Local Government Association (LGA), are jointly sponsoring this workshop to take place on 27 November. The workshop will feature short presentations from Mario Wolf, DCLG Planning and practical case studies covering both the forward planning and development control aspects of the policy.

The purpose of the workshop is to provide invited participants ample opportunity to feed in their views and contribute to the guide. Background information is attached. The workshop will be conducted according to 'Chatham House' rules with all contributions being unattributed. This is an important opportunity to influence a practical guide that will provide best practice to practitioners on the challenges of planning for, and investing in deprived areas. We hope that you will be able to make an input to the guide.

3. Background

Planning Policy Statement (PPS) 6 - Planning for Town Centres

The revised PPS6 on Planning for Town Centres, released in 2005, reaffirms the Government's key objective of promoting the vitality and viability of town centres.

- 1.3 The Government's key objective for town centres is to promote their vitality and viability by:
- planning for the growth and development of existing centres; and
 - promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment, accessible to all.

At the same time, PPS6 also indicates some wider objectives expected of the policy.

- 1.5 The following of the Government's wider policy objectives are also relevant, insofar as they would not be inconsistent with the key objective in Paragraph 1.3 above:
- to promote social inclusion, ensuring that communities have access to a range of main town centre uses, and that deficiencies in provision in areas with poor access to facilities are remedied;
 - to encourage investment to regenerate deprived areas, creating additional employment opportunities and an improved physical environment;
 - to promote economic growth of regional, sub-regional and local economies;
 - to deliver more sustainable patterns of development, ensuring that locations are fully exploited through high-density, mixed-use development and promoting sustainable transport choices, including reducing the need to travel and providing alternatives to car use; and

PPS 6 also indicates that, within the context of the prescribed site selection approach, that there may be other relevant matters.

2.51 In selecting sites for allocation in development plan documents, the local planning authority should, after assessing sites against the considerations in paragraph 2.28, consider the degree to which other considerations, including specific local circumstances, may be material to the choice of appropriate locations for development. Considerations to be taken into account in drawing up plans include:

- Physical regeneration: the benefits of developing on previously-developed sites which may require remediation;
- Employment: the net additional employment opportunities that would arise in a locality as a result of a proposed allocation, particularly in deprived areas;
- Economic growth: the increased investment in an area, both direct and indirect, arising from the proposed allocation and improvements in productivity, for example arising from economies of scale; and
- Social inclusion: this can be defined in broad terms and may, in addition to the above, include other considerations, such as increasing the accessibility of a range of services and facilities to all groups.

Significantly, PPS 6 also specifically acknowledges the need "...to encourage investment to regenerate deprived areas, creating additional employment opportunities and an improved physical environment". (para 1.5).

Deprived areas are defined in PPS 6 as "areas which are experiencing significant levels of 'multiple deprivation', typically those within the most deprived 10% of 'super-output areas' as defined by the English Indices of Deprivation and by the Index of Multiple Deprivation (IMD)" (footnote, page 8).

The revised PPS6 has been strengthened to make clear that local planning authorities need to undertake a number of actions in support of deprived areas, as summarised below:

- To take account of Government objectives to promote social inclusion and to encourage investment to regenerate deprived areas, creating additional employment and an improved physical environment (*para 1.5*)
- To plan for investment in deprived areas by strengthening/identifying opportunities for growth of existing centres or, where appropriate, designating new centres (*para 2.53*)
- In assessing the need for further development to give additional weight to identifying a range of sites to serve deprived areas (*para 2.35*)
- When applying the sequential test (development in existing centres first, then edge, then out of centre) to give weight to those locations that best serve the needs of deprived areas (*para 2.44*)
- In assessing sites to give particular consideration to the potential for additional employment in deprived areas (*para 2.51*)
- With regard to access to local shops and services for deprived areas, to identify opportunities to strengthen existing centres/propose new centres to remedy deficiencies in provision. (*para 2.56*)
- There are also strengthened references to social inclusion in chapter three of the PPS which refers to the development control process

The Index of Multiple Deprivation (IMD)

The then Office of the Deputy Prime Minister (ODPM) commissioned the Social Disadvantage Research Centre (SDRC) in the Department of Social Policy and Social Research at the University of Oxford to update the Indices of Deprivation 2000 (ID 2000) for England.

Following two extensive public consultations, an academic peer review and a significant programme of work, the new Indices of Deprivation 2004 were produced.

The Concept of Multiple Deprivation

The Index of Multiple Deprivation 2004 (IMD 2004) is a measure of multiple deprivation at the small area level. The model of multiple deprivation which underpins the IMD 2004 is based on the idea of distinct dimensions of deprivation which can be recognised and measured separately. These are experienced by individuals living in an area. People may be counted in one or more of the domains, depending on the number of types of deprivation that they experience. The overall IMD is conceptualised as a weighted area level aggregation of these specific dimensions of deprivation.

Domains and Indicators

The IMD 2004 contains seven domains of deprivation: Income deprivation, Employment deprivation, Health deprivation and disability, Education, Skills and training deprivation, Barriers to housing and services, Living environment deprivation and Crime. Each domain contains a number of indicators. The criteria for inclusion of these indicators are that they should be 'domain specific' and appropriate for the purpose (as direct as possible measures of that form of deprivation); measuring major features of that deprivation (not conditions just experienced by a very small number of people or areas); up-to-date; capable of being updated on a regular basis; statistically robust; and available for the whole of England at a small area level in a consistent form.

Each domain is given the following weight when they are combined to form the Index of Multiple Deprivation 2004.

• Income deprivation	22.5%
• Employment deprivation	22.5%
• Health deprivation and disability	13.5%
• Education, skills and training deprivation	13.5%
• Barriers to housing and services	9.3%
• Living environment deprivation	9.3%
• Crime	9.3%

A Glimpse of the Results

England's most deprived 20% of Super Output Areas (SOA) – a more stable local area measurement than ward data – have the following characteristics on average:

- Just under a third of people are income deprived.
- One in five of women aged 18-59 and men aged 18-64 are employment deprived.
- Just under half of children live in families that are income deprived.
- Just under a third of older people are income deprived.

Regenerating deprived areas through retail-led development

Case study 1: Castle Vale Housing Action Trust, Birmingham

Speaker:

**Dr Angus Kennedy, Chief Executive, Community Regeneration Partnership Ltd.
(formerly Chief Executive of Castle Vale HAT)**

Background

Castle Vale is a 1960's housing estate with more than 5,000 residents situated 4 miles north of Birmingham City centre. In 1993, the estate transferred to the management of a Housing Action Trust (HAT), one of the largest of its kind in the UK, entrusted with £350 million regeneration budget funding from the Government and Europe.

Though built as a model development, Castle Vale had fallen into decline with some areas becoming seriously dilapidated with crime figures at an unacceptable level. The HAT was tasked with addressing the mammoth regeneration task in providing new social and housing amenities, road improvements and a shopping centre, as only a few shops remained open from the original centre which was now in a poor condition.

Centrepiece of the regeneration programme was a new shopping centre. The new scheme was intended to replace a dilapidated semi derelict facility with a new complex anchored by a 50,000 sq. ft. Sainsbury's store together with other non-food units, a new post office, job centre and chemists in an adjacent precinct, as well as offices for the Tenants and Residents Association. A petrol filling station was also provided with the development that was to be served by a 700-space car park

The new shopping centre provided over 600 new job opportunities. Sainsbury's worked closely with the Castle Vale Housing Action Trust to actively promote the wide range of opportunities to estate residents. The store offered positions at all levels, full and part time, as well as opportunities for school leavers and those seeking new careers. When Sainsbury's first opened in August 2000 local people from Castle Vale had taken up over a third of the job opportunities in the store.

The HAT has now completed its regeneration task and handed over control of the estate to residents. In October 2001 Castle Vale received the first of many accolades when Angus Kennedy, the Chief Executive of the Housing Action Trust received the BURA award for an outstanding regeneration project

Some statistics:

Unemployment: 26% in 1993 – 5.3% in 2004

Life expectancy: Now on average people from Castle Vale live 7 years longer than they did in 1992.

Education: 5 A*-C, GCSE passes – 13% in 1994 - 31% in 2004.

Jobs created: 1,461

Training places: 3,415

Crime: Total offences reduced by 36% since 2000.

Regenerating deprived areas through retail-led development

Under-served markets workshop 27 November 2006

Discussion 1 – Positive Planning for a plan-led approach to encourage retail investment in deprived areas

Background

Whilst PPS6 acknowledges the need to promote investment in deprived areas in order to maximise regeneration benefits, the process of applying it can sometimes be challenging for practitioners. In other words, the “what” and “why” have been established, but the “when” and “how” remain subject to debate. More guidance would be helpful that sets out what local authorities and other planning bodies should be considering, in the context of wider existing objectives and strategies as well as area specific issues. More importantly, how they can ensure that any planned investment genuinely benefits those communities most in need.

Based on the USM research to date, the following are some suggested good practice considerations, in the context of existing policy, to support the provision of a positive plan-led approach to promote retail-led regeneration of deprived areas:

- The need to understand the dynamics of deprivation in the areas under consideration
- The need to understand and undertake local consumer research, such as: the level of spend retained within the deprived area versus leakage outside; where and how do residents currently shop; modes of transport and access to existing facilities; nature of existing provision; geographic patterns of different socio-economic groups; canvassing views of local residents and existing local businesses, etc.
- Understanding whether the potential of retail-led regeneration exists within the defined areas (i.e. ability to act as catalyst to achieve wider objectives).
- Examine the potential to align with existing policies, strategies and programmes for regeneration and to address deprivation e.g.
 - employment, & training,
 - enterprise support and development
 - Inclusion of excluded groups
- The need to align and incorporate the potential of retail-led investment within other development policies and strategies e.g.
 - housing,
 - transport,
 - leisure, etc
- The need to align the retail investment strategy for deprived areas with the policy framework documents at appropriate levels e.g. regional, sub-regional and local
- Assessing the potential positive and negative impacts on existing and proposed centres and hubs
- Incorporating within existing regeneration programmes, strategies to leverage positive impacts and mitigate negative ones

The above points are intended to frame discussion. In your discussion group please consider the questions below:

1. Do you agree that there is a need for further clarity to assist proactive planning to encourage retail investment in deprived areas?

2. What are alternative/additional key best practice elements for proactive planning for deprived areas in addition to or instead of those outlined above?
3. What are the key issues in applying this aspect of planning for deprived areas and how might these be approached?
4. What would be most helpful in delivering the implementation of planning policy and policy objectives for deprived areas?
5. What are good practice examples of proactive planning for retail-led investment in deprived areas that should be included in the guide?
6. What do you see as the best way to get messages across to practitioners?

Regenerating deprived areas through retail-led development

Case study 2: Lidl store in Blackbird Leys, Oxford

Speakers:

Mark Krassowski, Senior Director, RPS Planning Transport and Environment

Jonathan Watkins, Head of Property, Lidl

Background

Extract from Planning Magazine - 16 June 2006

Casebook: Lidl demonstrates need and job benefits from store plan

Lidl has won an appeal for a two-storey building in Oxford housing a discount food store on the ground floor with offices above after showing that the scheme would meet a need and bring employment benefits.

The site was occupied by a vacant car showroom and filling station. The inspector held that a need for the development had to be demonstrated because it was in an out-of-centre location. He agreed that the evidence suggested a quantitative need and considered that significant weight should be given to this.

As for qualitative need, he referred to PPS6's requirements for an appropriate distribution of locations for development and a range of sites to meet the needs of the whole community, particularly in deprived areas. He reasoned that the absence of a limited range discount food store in Oxford left a gap in retail provision in a qualitative sense. A Lidl store would extend consumer choice and significantly improve provision for residents of a deprived housing area, he opined.

The inspector found insufficient evidence to show clearly that sequentially preferable sites were available, suitable and viable. Since none of the sites examined at the inquiry had completed feasibility studies or planning permission, he concluded that they did not represent practical sequential alternatives.

The inspector acknowledged that the location was not close to any existing centre. However, he maintained that for much bulk food shopping it was inevitable that the majority of people would use cars rather than travel by bus or cycle or on foot. On that basis, he concluded that the proposal offered a realistic choice of access.

He accepted that the retail arguments were finely balanced, but held that they were insufficient to justify refusal. He rejected an alternative proposal for retail-only use of the site, holding that this did not provide any jobs of the type envisaged there by local plan policy. By contrast, he judged that the mixed scheme would comply with the policy and provide a clear and significant boost to job opportunities.

DCS No: 100042431; Inspector: David Bushby; Inquiry.

Regenerating deprived areas through retail-led development

Under-served markets workshop 27 November 2006

Discussion 2 – Using the development control process to maximise the benefits of retail-led regeneration

Background

PPS 6 emphasises considerations which should be taken into account in determining planning applications for retail and other town centre uses. In utilising the 'sequential test' (development in existing centres first, then edge, then out of centre), weight is also asked to be given to those locations that best serve the needs of deprived areas. In terms of assessing sites, PPS6 states that local planning authorities should consider the impact of the development on the centre or centres likely to be affected. PPS 6 also states that material considerations to be taken into account in assessing planning applications also include: physical regeneration, employment (including the creation of higher skill opportunities or opportunities that are particularly important given the local labour market), economic growth or social inclusion.

There can be great variation in the way development proposals for retail in deprived areas are assessed. The USM project has to date identified a number of factors that might be taken into account when considering retail development proposals in deprived areas, specifically to assist in distinguishing those that would maximise benefits from those that don't:

- How does the proposal bring added benefit to a deprived area, its residents and businesses and help alleviate the underlying causes of deprivation?
- How does the proposal provide a range of local employment and training opportunities:
 - For priority groups e.g. long term unemployed or economically inactive, BME groups, women?
 - During both the construction and operation phases?
 - Which include employee advancement and development strategies?
- How does the proposal support local business development e.g. through:
 - Offering contracts for local firms during the construction?
 - Using local supply-chains during the operation phase?
 - Giving targeted support to under-represented groups e.g. BME?
- How will the proposal support long term local regeneration programmes (e.g. youth development, engaging with schools, healthy living projects, etc.)?
- How does the proposal promote high quality design and a sustainable environment?
- How does the proposal seek to maximise opportunities for local business within the existing or surrounding centres and high streets (e.g. footfall, parking, support)?
- How does the proposal address any potential negative impacts on existing and surrounding centres and high streets (e.g. competition, displacement) and provide strategies on how to mitigate.
- What is required to ensure that objectives will be met (e.g. does the applicant have a track record in successful strategies)?

Questions for discussion

1. Are there other factors in place of/in addition to the list outlined above that could be included in the 'how to' guide?
2. If a proposal includes a robust strategy that addresses the above areas, do you favour the introduction of incentives e.g. a greater coordination by the different departments within the local authority in how such applications are dealt with?
3. What information would be useful to distinguish between proposals that will genuinely contribute to the regeneration of deprived areas and others that may not make a meaningful contribution?
4. Do you think more could be done to encourage local authority regeneration/economic development and planning teams to work better together to support retail proposals that benefit deprived areas?
5. Would it be helpful to have a template of what constitutes good practice in using retail investment to regenerate deprived areas?
6. Are there any other case studies of good practice in using the development control process to encourage retail-led regeneration?