

BitC/DCLG Under-Served Markets event 27th November 2006

Business in the Community's Under-Served Markets (USM) project is a business-led, commercially based investment strategy through which a group of national investors, developers and business leaders drawn from the property, retail and finance sectors identify and maximise the market opportunities found in some of the UK's most deprived areas. Experience of such businesses successfully investing in and partnering with under-served communities in the United States suggests there is significant potential to come from harnessing private sector investment for the regeneration of England's most deprived areas.

To be successful, retail-led regeneration should lead to real and sustainable socio-economic benefits for local economies and communities, especially the disadvantaged. But areas of deprivation are not limited to town centres, raising questions of how the planning system should consider proposals for retail investment there: under what circumstances is it appropriate, and how can positive impacts be ensured?

Planning Policy Statement 6 (PPS6) *Planning for Town Centres*, released 2005, placed greater emphasis on using planning for retail development to meet the needs of deprived areas. A practical 'how to' guide is being developed to promote wider understanding among practitioners of this change and of the lessons learned from the USM project, to complement DCLG's forthcoming practice guidance documents for PPS6.

The guide is intended to be rooted in the experiences of practitioner and to ensure this, a practitioners' workshop jointly sponsored by Business in the Community, DCLG and the Local Government Association (LGA) was held in London on November 27th 2006. Some 60 invited delegates attended from the property and retailing industries, local government, development agencies, planning consultancies and academia. To facilitate frank and open discussion the workshop was held under 'Chatham House' rules with all contributions unattributed.

Policy context

The event was introduced by Ian Coull of Slough Estates, chair of the USM working group. Mario Wolf of DCLG's Planning Directorate set out the national policy context, starting off from the Neighbourhood Renewal agenda and emphasising the central role of social inclusion within PPS6.

Noting that 'town centres' covers a spectrum from city centres to district centres, Mario highlighted that PPS6 suggests priority should be given to development in deprived areas (defined by the Index of Multiple Deprivation) and the expectation that local authorities think about this proactively when plan-making. However proposals should be properly tested, not just waved through, to ensure real net economic and employment benefits accrue for deprived communities. The aim is to develop retail that serves the needs of deprived areas, rather than simply being in them, and ideally located within centres in such areas.

Lessons from the Under-Served Markets project

USM project director Bill Boler described the project and the main policy conclusions. From twelve initial study areas, four had been selected for pilot projects. However there had been barriers to successfully attracting retailing investment, which needed to be understood. Retailers were wary of acting alone, preferring to be part of larger transformational projects. Investors considered deprived areas relative to other development opportunities available at that time. Local authorities were struggling to balance regeneration needs with planning objectives, and to link those with any kind of retail strategy; they were often also highly risk-averse.

Bill set out the purpose of the workshop: to bring together a diverse practitioner group, and to provide a forum to discuss how planning policy and objectives for deprived areas can be integrated, to identify any common principles for best practice and to find which issues need further clarification. He also set out the timetable for the production of the guide, and desired policy outcomes for private and public sectors.

Forward planning

The regeneration of Castle Vale, a large 1960's estate on the edge of Birmingham which had classic 'inner city' problems was described by Dr Angus Kennedy, Chief Executive of Community Regeneration Partnership Ltd and formerly Chief Executive of Castle Vale Housing Action Trust (HAT). He emphasised the long timescales involved in this well-known project: the retail development happened 6 years ago following 7 years of preparation.

Regeneration of the original inward-looking and never fully occupied shopping centre was considered a key part of the whole HAT programme. However this was only achieved by resorting to the HAT's compulsory purchase powers. The new development includes a Sainsbury's supermarket, other non-food units, a health centre and a block for relocated existing uses. These have provided over 600 new job opportunities, many taken up by the local community.

In this case retail is part of a virtuous circle of successful regeneration. To ensure this continues now the HAT has been dissolved, there are a host of succession trusts which benefit from a percentage of redevelopment receipts to look after aspects such as the community's health and environment.

Facilitated discussion in small groups considered positive approaches to forward planning for retailing in deprived areas. There was a strong feeling that the positive messages of PPS6 regarding retailing and regeneration needed to be made clearer and better known. Indeed there was a general call from the public sector for clarification and a better understanding of the economic and other impacts of the different types of retail development as well as scale and accessibility issues. Many of the issues highlighted earlier by Bill Boler re-surfaced, including communication problems between local authority regeneration and planning departments, and the lack of capacity.

Development control

Mark Krassowski (Senior Director, RPS Planning, Transport & Environment) and Jonathan Watkins (Development Director, Lidl) related their experience gaining permission for a mixed use development of offices and a Lidl limited-range deep discount food store on an off-centre former garage site at Blackbird Leys, Oxford. This case went to a planning inquiry, which took place as PPS6 was published.

Despite an initially negative response from the City Council, it was felt that the PPG6 tests could be met and strong local support was apparent at a pre-application exhibition at the local community centre. The initial application was refused but on appeal, with PPS6 now published, RPS and Lidl made a case on employment grounds. This gained local committee support, but the City Council argued that this was no different to any other supermarket.

At inquiry RPS and Lidl emphasised the lack of deep discount stores in the Oxford area (i.e. choice) and the employment benefits to the deprived local community of Blackbird Leys. The inspector accepted these arguments and that quantitative and qualitative need were demonstrated, finding insufficient evidence that sequentially preferable sites were available, suitable and viable. The decision was finely balanced, with the employment opportunities afforded by the mixed-use scheme a deciding factor. The development is currently under way, with the store opening in spring 2007.

Group discussions looked at how development control process could be used positively to maximise the benefits of retail development in deprived areas. Again there was a call for greater awareness of the positive message of PPS6 retail and regeneration. There were calls from both public and private sectors for clarification from plan policies and deliberation over whether deprived areas should be treated differently in these policies and if so, how should these areas be defined and how should they be treated differently, as not all had the same problems and retail-led regeneration might not be the answer. There was a need to evaluate whether single stores, shopping centres or mixed uses would be most appropriate at delivering benefits to the local community, and ensuring existing businesses do not suffer as a result.

Mike Haines of the LGA Environment Board brought these discussions together and NRPF chairman Chris Brearley wrapped up the event. The day had provided vital input into the forthcoming how-to guide, not least by revealing many of the areas where best practice guidance was currently absent and by serving to highlight the opportunities for positive planning for retail-led regeneration already contained in PPS6.