

Richard Canovan
Communities and Local Government
Planning: Economic and Social Policy Division
Zone 1/12
Eland House
Bressenden Place
London
SW1E 5DU

3 October 2008

Dear Sir

Accessible Retail Submission to:

Consultation on Proposed Changes to PPS6: Planning for Town Centres

A. Introduction

A1. I write on behalf of Accessible Retail (AR), the organisation which represents the property interests of the retail warehouse and retail park sector of the retail industry. AR has over 900 members comprising owners/investors, developers, retailers and professional advisers, a membership which includes most of the major companies active in the sector. The majority of our member's interests are located in out-of-centre locations, but also, they have significant town centre interests.

A2. The retail industry constitutes an important part of the UK economy accounting for some 8% of GDP and employing nearly 3 million people. Of this, retail warehouses and retail parks comprise some 30% of total retail spend from 3% of all retail outlets, with property assets worth some £15-20 billion pounds of which over half is owned by pension funds.

B. General Comments

B1. AR welcomes the opportunity to respond to this consultation. We support the substitution of an impact test for the current needs test and the inclusion of market and economic considerations in the factors which planning authorities should take into account in preparing plans and determining applications. We wish to see both these changes implemented and comment in more detail on each in turn below.

B2. We are concerned, however, that, overall, the draft PPS6 still does not strike the right balance between town centre and out-of-centre development, particularly now that the wider economic aims set out in the draft PPS4 are to be included in planning decision-making. It is imperative that PPS6 is consistent with other positive planning aims set out the Government's overall planning agenda. We support the Government's aim to protect the vitality and viability of town centres, but believe a more flexible and supportive policy framework for both formats is possible without compromising this objective. We comment on this below, also.

- B3. We believe the opportunity should be taken in reviewing PPS6 to amend certain other aspects of policy. In particular:-
- a) It is questionable whether the current low 2,500 square metre threshold is required in most town centres given the trend towards larger units and we suggest a higher threshold level of 5000 square metres would be more appropriate in the light of modern retail practice;
 - b) proposals to remodel and/or reconfigure existing retail developments where there is no material increase in floorspace should not have to satisfy PPS6 tests;
 - c) there should be an onus on local planning authorities to demonstrate that sequentially preferred sites identified in town centres are likely to be developed within a five year period and that where this cannot be shown, the presumption against other non-sequentially preferred sites is removed.

We comment in more detail on each of these below.

- B4. It is likely that the implementation of the proposals in the draft PPS6 will require even more information to be collected and submitted by applicants. Almost certainly, this will significantly increase the already very high cost of making major planning applications and every effort should be made to reduce this burden by ensuring that only absolutely necessary data capture is specified.

C. Consultation questions

Q 1: Will the proposed changes support current and prospective town centre investment?

1.1 Yes.

Q 2: Does the scope of the new impact test achieve the right balance and is it robust enough to thoroughly test the positive and negative impacts of development outside town centres?

2.1 We believe this new test will provide a sounder and fairer mechanism for assessing development proposals without compromising the aim of maintaining the health and vitality of town centres. We agree with the views expressed in the evidence base that it should result in decisions on the financial risks of development being left to those best qualified to take them and the wider costs and benefits of a proposal being taken into account.

2.2 Our support is in principle at this stage. The indicators suggested in the draft seem appropriate with no obvious omissions or non-relevant inclusions. The way in which they are assessed and interpreted by planning authorities, however, will be crucial and in this respect the guidance yet to be published must be fit for purpose. We suggest that the industry, including AR, be consulted on the content and form of this guidance before it is published. Notwithstanding this, some observations are appropriately made now.

- 2.3 In paragraph 3.19e, we question whether it is necessary to specify any more requirement than that of establishing the extent to which the proposal will promote or undermine town centre vitality and viability including local consumer choice and retail diversity. Apart from the requirement to consider the development plan, the other factors listed only answer the key test of impact on viability and vitality.
- 2.4 More clarity is needed on the relative status of impact considerations referred to in paragraphs 3.19e (key) and 3.19g (wider). Given the different presumptions attached to each category with regard to the granting or refusal of planning permission, this is an important distinction which must be clear to both applicants and planning authorities.
- 2.5 We are concerned at whether planning authorities will have the capacity and current experience to correctly understand and give proper weight to the market and economic data they collect for themselves and have submitted by applicants. It is essential that authorities have properly trained and experienced staff, although it is debatable whether such staff operating outside the market, can ever be fully conversant with changing market conditions. Given this, it is essential they are advised by consultants with current knowledge of market conditions.
- 2.6 It should be noted, also, that in some areas, the market data available is limited compared with major centres and commercial hubs.

Q 3: Is there scope to simplify and streamline the various impact considerations further?

- 3.1 Given that it is proposed to examine the overall economic performance of a town centre rather than just its retail use, the range of relevant issues requiring consideration will more complex and expanded. Collecting the necessary data will increase the cost of what is already a very expensive process for major applications and care should be taken to ensure that only absolutely necessary data is specified and that its relevance is kept under review. A full answer to this question must await the publication of the guidance.

Q 4: Is the consideration of consumer choice and retail diversity as part of assessing the impact of a proposal appropriate and will it be sufficient to help promote competition?

- 4.1 Yes, it is a very important consideration if the aims of PPS4 are to be fully secured as well as the benefits of competition referred to in the evidence base and the wider costs and benefits identified in the Barker Report. However, although the draft PPS6 adds a welcome requirement to give consideration and proper weight to economic growth, market efficiency and competitive considerations, it does so only within the context of within or intra town centre performance. It does not address fully the two important and wider aims embedded in the draft PPS4 of ensuring customers get best value in terms of cost and choice or that the economy gets the full benefit of the growth and improvements in efficiency and competitiveness available overall from the retail industry including the out-of-centre format and that planning does not unduly or disproportionately constrain the market.

4.2 Rather, although existing warehouse parks are an established sector of the retail industry and a key contributor to economic growth and improved competitiveness, the sector has not been permitted to grow at a reasonable rate, thereby weakening the major contribution it makes to the economy in terms of local and national job creation and growth in GDP. Similarly, the ability of the sector to meet changing customer needs and retail trends by making qualitative improvements to current buildings or through modest extensions has been restrained. No other sector of the retail industry has had such obstacles placed in the way of its ability to maintain, renew and improve its assets. In this respect, the proposal in the draft to give more equal emphasis qualitative considerations is welcomed.

4.3 In our view, the seeking of these benefits should not be restricted only to those arising from the promotion of competition within individual town centres. As important, is ensuring that, where appropriate, town centres themselves are subjected to competition from other formats such as out-of-centre retailing. In the last twenty-five years, it is the out-of-centre sector which has led the way in delivering lower prices and greater choice to customers.

Q 5: It has been suggested by some stakeholders that we should consider limiting impact assessments to larger development proposals and that it should be confined to retail developments. PPS6 and our proposed revisions maintain a flexible approach to the preparation of impact assessments for all main town centre uses and do not limit assessments to larger developments or retail proposals. Do you think our flexible approach should be retained?

5.1 We support a flexible approach and do not think impact assessments should be confined to retail developments. In our view, the amendments set out immediately below would help to improve flexibility without compromising the essential aims of PPS6.

5.2 It is noted that the 2,500 square metre threshold is retained. It is questionable whether such a low threshold is required in most town centres given the trend towards larger units and we suggest a higher threshold level of 5000 square metres would be more appropriate in the light of modern retail practice. Smaller centres could continue to be safeguarded by retaining the existing requirement to assess below a 2,500 threshold where a proposal is likely to affect significantly smaller centres. More flexibly still, a formula could be devised requiring an assessment only if the size of a proposed development exceeded a set percentage of the town centre's floor space, subject to a minimum threshold of 5000 square metres. Protection for smaller centres could be achieved by retaining the current provision whereby, below a 2,500 threshold, an assessment is needed where a proposal is likely to affect significantly smaller centres.

5.3 Also, we cannot see the logic in applying such a tight rein on extensions as set out in paragraph 3.29 whilst imposing much lighter requirements on much larger new units which could be in edge of centre or out of centre locations. The former should be relaxed to conform to the latter.

5.4 Nor can we see the justification for applying the policies in paragraph 3.1 to the remodelling or reconfiguration of existing facilities where there is no material increase in floorspace. The starting point for planning consideration in such cases should be to recognise the type and amount of development that already exists and that existing permissions can only be taken away through formal revocation and compensation procedures. Such applications should be exempt from the tests and only subject to clearly new considerations such as design, massing etc.

5.5 Similarly, it is inappropriate to apply all the PPS6 tests to proposals which seek to vary planning conditions in order to update or modernise the regime of goods restrictions in force at an established location. Invariably, such restrictions were imposed to minimise a perceived impact on town centres and, therefore, in future, they should only be subject to a detailed and up to date analysis of retail impact.

Q 6: Are the existing health check indicators in Chapter 4 sufficient to enable informed judgments to be made about the various impact considerations which have been identified?

6.1 The indicators are wide ranging and their usefulness will depend on the quality and availability of the data. The range and scope identified, however, is reasonable.

Q 7: Do you agree with the proposed approach to the practice guidance which will support PPS6?

7.1 We believe the practice guidance is central to understanding how the new impact assessments will work and ultimately, therefore, to whether the new test will be a success and acceptable. Further comment must await its publication, but we believe it should be discussed in draft with the industry, including AR, before it is determined.

8: Other comments on the scope of the proposed changes?

8.1 Overall, there is a lack of balance in the policy framework contained in the draft. It does not give sufficient policy emphasis to ensuring that customers get best value in terms of cost and choice or that the economy gets the full benefit of the growth and improvements in efficiency and competitiveness available overall from the retail industry. In particular, it needs to more positively recognise and support the important and complementary role that, in certain circumstances, is played by out-of-centre retail provision. Unless this is done, the aims of PPS4 will not be achieved. To cater for non-town centre retailing which is now an established part of the industry with its own future needs, planning guidance is required which addresses retailing as an industry and which provides for a dual modus of complementary provision. At the very least, it should be made explicit that it is not the aim of policy to encourage or promote the decline of existing warehouse parks.'

- 8.2 In suggesting a rebalancing is needed, AR is not advocating that the aim to ensure town centres are viable and thriving is abandoned. As said earlier, we support this central aim of Government policy. Instead, we are suggesting that more recognition is given in the draft PPS6 to the crucial roles that out-of-centre retailing plays in complementing town centres by, in particular:-
- a) meeting increases in demand for retail floorspace in towns where expansion of the town centre is not possible or desirable (e.g. historic centres) given the extensive list of town centre uses which paragraph 1.8 of the current PPS6 identifies as appropriately accommodated in town centres;
 - b) locating bulky goods outlets away from town centres where their format exacerbates congestion, creates a built environment/floor plate incompatible with traditional architecture and massing of buildings in town centres and creates an inappropriate operational environment for other businesses.
 - c) in freeing up land used for low value extensive uses enabling more intensive occupiers to replace them thereby creating the value needed for town centre renewal;
- 8.3 In contrast to this, the received wisdom that out of centre retail development, *per se*, is the main cause of town centre decline remains enshrined in PPS6, although independent research commissioned by AR (copy attached) indicates no substantive and compelling evidence base exists to support this view. The fact that the proportion of new floorspace being developed in town centres has increased significantly since the introduction of the current policy gives no specific indication as to the causes of town centre decline or prosperity. It simply measures the spatial impact of a restrictive policy. The second part of the AR research is to be commenced later this year and will examine the performance of specific town centres with nearby out-of-centre retail parks in order to try and determine the real causes of decline or prosperity. When this research is available and a more complete picture established, AR would wish to discuss this with DCLG.
- 8.4 Lastly, AR suggests that changes are needed regarding the weight given by planning authorities to the existence of allocated sequentially preferred sites. In some locations, such sites are not being developed within the tested timeframes, in some cases more than 10 years after being identified. Notwithstanding this, they are still being taken account of by planning authorities in need assessments and being used to justify the refusal of permission for the development of other sites.
- 8.5 Currently, applicants for other sites have to show that sequentially preferred sites are not coming forward for development. Consideration should be given to placing this responsibility on the planning authority together with a specified timescale within which the likelihood of development occurring must be assessed. Factors to be taken into account could include: developer/ local authority control of a site including, where appropriate, the completion of compulsory purchase processes; the granting of planning consent; and implementation considerations including viability, construction timescales etc. In short, for a planning authority to be able to use the existence of a sequentially preferred site to justify refusing planning permission for another site, it should have to show that the preferred site is likely to be developed within a reasonable timescale.

Q 9: We are committed to producing policy that promotes equality of opportunity and good relations between people of different racial groups and eradicates unlawful discrimination. We would welcome views on whether the changes we are proposing to PPS6 will impact differently on people from different ethnic groups, on people with disabilities and on men and women? We particularly welcome the views of organisations and individuals with specific expertise in these areas.

No comment.

If you wish to discuss the issues raised in our response, please contact William McKee at the address provided on the letter head.

Yours Faithfully

William McKee
Chief Executive