



December 2007

An Effective Town Centre First Policy: what needs to be in the new PPS6

In January the Government is expected to issue a consultation paper setting out new planning policy proposals for town centres (Planning Policy Statement 6). This follows commitments made in the Planning White Paper in May and recommendations from the Competition Commission in October. The Association of Convenience Stores (ACS), the Campaign to Protect Rural England (CPRE), the Food Access Network, Friends of the Earth and the Women's Institute have set out recommendations for what should be in the new PPS6. Our recommended policy tests would help the Government to meet its aim of ensuring that planning plays a key role in contributing to quality places where people want to live and to sustainable patterns of development.

We believe that there are a set of overarching principles which planning policy should be making a key contribution to achieving:

- Distinctive and attractive town centres
- Strong and sustainable local economies
- Access to high quality shopping provision for those without or preferring not to use a car
- Retail use properly contributing to sustainable patterns of development with a low carbon impact
- A good choice of where to shop for everyone.
- Avoid overprovision of large scale retail businesses which damages the diversity of the retail offering in a community

These aims will not be delivered if the Government follows the recommendations of the Competition Commission to facilitate more out of town development.

Instead we recommend that the Government introduces a presumption against out of town development and a new integrated impact test including the following elements:

- Quantitative need
- Local economic impact
- Diversity
- Scale
- Social inclusion and cohesion
- Accessibility
- Carbon

Background

In May the Government announced that it would revise Planning Policy Statement 6 to make the Town Centre First policy more effective. The Government stated that its aim is to create quality places and flourishing communities – an aim which we support. As part of the proposed policy revision the Government intends to introduce a new impact test. We agree that a strengthening of current policy is needed. Although PPS6 has successfully refocused development towards town centres, it has not yet significantly curbed the growth of out of town supermarkets or the loss of diversity of shops and markets in town centres. Three quarters of new supermarket development between 1999 and 2005 was out of townⁱ. However, we do not agree with the analysis in the Planning White Paper that the town centre first policy will be made more effective by the removal of the need test. The need test is a key policy tool currently used by local planning authorities to ensure that out of town development would not divert trade from the town centreⁱⁱ. We have yet to see any firm evidence of damaging effects of the application of the need test that would justify weakening policy in this way. Instead of simply removing a key test we recommend that the need test is integrated into a more robust set of new policy tests as set out below.

We are also concerned that the Government has been awaiting the conclusion of the Competition Commission's Provisional Findings before forming its proposals for PPS6. The Competition Commission has concluded that the planning system is hindering competition between large supermarket businesses and has suggested that the planning system should be changed to facilitate more supermarket development outside town centres. The Government should give limited weight to recommendations for changes to the planning system that are based on such a narrow remit and must consider its wider sustainable development goals.

Introduction

This paper focuses on the new elements which should, we believe, be incorporated into the Government's new impact test to make the town centre first policy more robust and to put more emphasis on the 'liveability' of our towns and cities. Many of the elements derive from the existing 'health checks' which local authorities are encouraged to use to monitor success of the town centre first policy, but which do not presently carry statutory weightⁱⁱⁱ. We consider that these should be embedded in the policy itself. This revision of PPS6 is also an opportunity to deliver on the Government's sustainable development objectives and policy commitments on climate change.

What should be in the new Town Centres First policy?

The policy tests set out here are not a radical departure from the existing PPS6. We believe that they will provide a more robust tool for local planning authorities. They will also place more emphasis than is currently given on the overarching principles set out above. We agree with the Government on the importance of robust, up to date, evidence-based local plans and strategies which set out a clear and proactive vision for town centres. The following key policy tests should be applied both in plan making and development control.

1. Presumption against out of town development.

This would shift the onus on to developers to justify proposals for new development outside town centres. For an out of town site to be allocated in a development plan, or

for a proposed development on such a site to be granted permission, the site would have to demonstrate clear benefits and comply with the other policy principles set out below and with the wider aims of sustainable development.

Rationale

This is a straightforward way of strengthening the existing policy and giving local authorities greater clarity in implementing it. It would give developers the confidence they need to invest in town centre sites. The sequential test already requires sites in town centres or on the edge of centres to be considered before an out of town site can be brought forward. But it has not been strong enough to halt the growth of out of town supermarkets. This policy would allow for out of town development only in exceptional cases. An example may be the provision of new retail outlets (e.g. neighbourhood parades of shops or a small supermarket) in an identified 'food desert' that would be easily accessible by foot to the communities that it would serve.

2. Quantitative impact assessment

Local planning authorities should make an assessment of the quantitative need for additional floor space in the plan area. We consider that the need test should also be applied for applications in town centre locations which are not in accordance with an up to date plan. Where need has been identified other factors likely to lead to an impact on the existing centre should also be considered including whether trade is more likely to be diverted from existing town centre stores because of the nature of the development.

Rationale

The Government's Planning White Paper argues that on some occasions, the application of the need test may have led to some perverse outcomes but has not provided firm evidence. This test should not be removed from PPS6. Rather than removing the need test, we believe that where such cases have occurred, they can be prevented in future by issuing detailed guidance to local planning authorities on applying the need test. The Government promised this at the time PPS6 was published, but it has yet to materialise.

The provision of additional floor space greater than the identified need for the area will lead to trade diversion from existing shops. Although need should firstly be addressed through the local plan process it will be important to apply the test to any applications not in accordance with an up to date plan. Applying the test to town centre sites is important because trade could be diverted to the new store, away from existing shops which may be crucial to the attractiveness of a centre. In some cases increased floor space could also lead to a re-aggregation of retail sites. This could be contrary to the considerations of qualitative need which under PPS 6 should be given additional weight. In particular a wider distribution of retail locations within a settlement will better serve deprived areas than one large store which will be relatively inaccessible to many people in the community..

In assessing impact we consider that the identity of the proposed occupier should be a valid planning consideration. For example large supermarket chains are likely to have a greater impact on existing independent stores due to their greater buying power. The trend towards supermarkets selling a wider range of non-food goods also increases their potential to divert trade away from a wider range of specialist shops. Recent decisions by the Planning Inspectorate provide a precedent for considering the identity of the operator of a proposed retail store^{iv}.

3. Local Economic Yield test

This should be incorporated into PPS6 as a new quantitative element of the new impact test to ensure that retail planning policy is helping to boost the economic health of town centres.

Rationale

Measuring the likely contribution of a development to the local economy will provide a more effective test of the impact on the economic health of towns than the current policy which does not make any distinction between developments with local economic benefits and those which mainly benefit the occupier of the development.

Methodology developed by the New Economics Foundation provides a means of measuring this impact in terms of the potential for money spent at the new development to stay within the local area^v. In the case of food retailing links to the wider rural economy should be considered^{vi} Market towns in particular have the potential to support local producers by encouraging local food outlets. This may include identifying sites for farmers markets in development plan documents.

4. Diversity Test

A new test for diversity of retail representation should be introduced.

Rationale

New retail development should improve the choice available to shoppers and enhance the attractiveness of existing centres to visitors. Diversity of retail representation is already acknowledged in PPS6 as an indicator of a vibrant town centre in the 'health checks' (paragraph 4.4.). A recent report by the Work Foundation^{vii} concluded that a successful city is likely to have a balance of chain stores and independent shops. There is widespread experience to show that the same principle applies to market towns. The appropriate mix of retail representation will vary depending on the size and nature of the centre. Local authorities may wish to set out in development plan documents the proportion of floor space or frontages of particular types e.g. by size or type of unit.

5. Scale of development

The existing test for appropriate scale of development should be retained in the framework.

Rationale

New retail provision should be of a scale that is in keeping with existing centres.

The assessment of the size of store which is 'appropriate' should take into account the size of the town or centre, the current retail mix and, following current guidance in PPS6 (paragraph 2.32), should also consider regional spatial planning and the catchments of adjacent centres to avoid overprovision in one catchment which might damage the viability, vitality and diversity of other town centres. As a result, in a small market town or secondary centre, the appropriate scale of development would be small to medium sized stores rather than a superstore.

6. Social Inclusion and Cohesion.

Local authorities should assess the contribution to socially inclusive patterns of development when allocating sites in the plan e.g. sites may need to be allocated in areas identified as 'food deserts'. Local authorities should also take care to avoid reducing choice in 'food deserts' through dominant single store provision.

Rationale

The principle of socially inclusive patterns of development is set out in the existing policy but it needs to be strengthened by incorporation into the new test. In order to contribute to social inclusion local provision of grocery retail which is needed for day to day shopping should be accessible by foot especially in areas of low car ownership. This is likely to mean provision of neighbourhood stores rather than large stores located on major roads. Yet grocery retail provision is continuing to be provided in out of town locations where the main access is by car. Some sectors of the population are particularly affected by access, for example almost half of lone parent households have no car and 69% of single person households where the householder is over the state pension age do not have regular use of a car^{viii}. It may be necessary for local authorities to map areas of inadequate grocery provision and identify sites for new neighbourhood parades of shops. This principle of providing accessible local shops must be applied to areas identified for new housing or urban extension and in the Government's proposed 'eco-towns' to avoid creating new car dependent patterns of development that exclude certain sectors of society. Local shopping provision can contribute to social cohesion by being a focal point for local communities.

7. Accessibility.

Effective integration into existing or planned public and non-car based transport systems should be a key test for allocation of sites in development plans.

Rationale

Accessibility should be a key consideration in allocating sites in development plans to address the need for reduced reliance on the car, to cut congestion and emissions including carbon, and to tackle social exclusion. A greater emphasis on reducing dependency on access by car is needed. Shopping, as with other town centre facilities, needs to be accessible by public transport, walking and cycling. New developments need to be effectively integrated into existing public transport or planned transport. Also, locating day to day facilities such as local shops close to where people live will help to cut unnecessary car journeys, meet the needs of those unable to use a car and reduce 'food deserts'.

8. Carbon

This would be a new test of carbon contribution taking into account transport to the site and building related emissions.

Rationale

The Government has acknowledged climate change as an urgent issue and has prioritised reduction in carbon emissions, and in the draft PPS on Climate Change it has acknowledged the important role of land use planning in reducing emissions. The changes suggested here will ensure that these principles are incorporated into PPS6.

In terms of site selection in development plans the key consideration would be an assessment of the likely carbon impact of travel to the site location. In assessing the

merits of particular proposals local authorities would also need to consider the standard of buildings efficiency and potential for renewable energy systems. In the case of proposals to redevelop a site with existing buildings this would need to include a life cycle analysis to include construction related emissions.

Resources for local planning authorities

We believe that the policy framework set out above would help local planning authorities by providing a more robust set of tests. But there will still be a need to ensure that planning authorities have the necessary skills and resources to implement the new framework.

Friends of the Earth and CPRE have found evidence that local planning authorities are often ill equipped to deal with applications for major retail development made by the biggest supermarkets. To ensure that when the new policy framework is introduced local authorities are fully equipped to implement it we consider that local authorities will need improved access to retail planning expertise, retail data and the analysis of retail need. One way of providing this could be a regional base of retail planning experts made available to local authorities. Greater support for local authorities could help avoid the danger of inappropriate supermarket developments occurring through superficially attractive Section 106 agreements which damage social and economic fabric in the longer term.

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ⁱ BCSC (2006) Future of Retail Property, Report 6, "In Town or Out of Town?"

ⁱⁱ Friends of the Earth survey of Local Planning Authorities 2007 published in "Shopping the Bullies" http://www.foe.co.uk/resource/briefings/shopping_the_bullies.pdf

ⁱⁱⁱ Office of the Deputy Prime Minister, Planning Policy Statement 6, "Planning for Town Centres", para 4.4.

^{iv} [reference decision notices].

^v New Economics Foundation, <http://www.pluggingtheleaks.org/>

^{vi} Campaign to Protect Rural England (2006) , The Real Choice, How local foods can survive the supermarket onslaught

^{vii} The Work Foundation (2007) Distinctiveness and Cities – Beyond 'Find and Replace' Economic Development?"

^{viii} British Brands Group (2007) "Consumer needs not being met by UK grocery market", data based on census 2001