

London Under-served Markets Event – Local Government House, 28 March 2008

Mike Taylor – King Sturge, co-sponsors of the event

Mike welcome delegates to the fifth regional workshop on the guide. Mike noted that developers are happy to adopt good environmental practices in the interests of 'sustainability'. However, Sustainability also needs economic and social benefits.

Today's workshop is about delivery and how to get benefits in all Boroughs. There are two hurdles –retail jobs are still not considered 'proper jobs'. King Sturge carried out work on value of retail employment in the UK – the third largest sector. It is a spring board and especially in deprived areas. The second barrier is that new retail and leisure can **only** take place in town centres, which can often lead to deprived areas being overlooked . This is a mis-reading of PPS 6 as will be shown later in today's event.

Chair for the event–Cllr Chris White, Chair of LGA Culture, Tourism and Sport Board.

Chris is a member of the Business in the Community's Business Action on Economic Renewal Leadership Team.

This is an opportune time to feed in messages to CLG who are reviewing PPS 6. Please use the event to raise any problems encountered on encouraging retail-led regeneration of deprived areas.

Introduction to the USM Project Bill Boler, Business In the Community, USM Director

Delegates have been provided both with a copy of the initial USM research which looked at 12 local authority areas and the final guide to Under-served Markets which is divided into three main sections:

- How to attract investment
- How to use the planning system proactively to facilitate retail-led regeneration
- How to connect this with deprived areas.

The Guide is focused on setting out lessons from the USM project. The workshops follow the structure of the guide.

Bill's experience was based on developing a strategy for the Harlem, New York, US. The main approach involved using retail investment as part of a wider strategy.

A good retail offer was needed to attract people back to Harlem – which also created opportunities for new businesses.

Existing local business said what was needed was more people and more mixed communities

There is a need to work out what we are trying to focus on – the link between investment, jobs, training.

Trying to move projects away from reliance on Government funding to more private sector investment

A focus on helping existing businesses led to new businesses being created. Important point is that must be part of a broader strategy.

Project in UK aimed at getting more retail investment into deprived areas. There has been a shift in retailing being built in town centres (TCs) which is good but still leaves 60% being built outside. Some of this should be steered to deprived areas, as well as town centres. - policy is town centre **first** not TCs **only**.

Most importantly, it is about joining up policy - there is a need to connect TC policy with Neighbourhood Renewal (NR) policy. TC policy needs to reflect the other priority of tackling social exclusion and NR.

There are many references to deprived areas in PPS6 but these are often not picked up. The Lidl case in Blackbird Leys estate in Oxford – one of the most council estates in England - is cited in the report. This came in after PPS6 was published and showed how challenging this can be for some in policy terms - it was necessary Lidl to win an appeal to get new store in deprived area.

There is a greater challenge for London given the proliferation of TCs and High Streets. The figures produced on the new Index of Multiple Deprivation scores showed the top 5 most deprived areas were in England were suburbs.

The challenge is to successfully promote investment in our town centres, but also find that balance to ensure that our deprived areas get investment as well.

Key themes:

Attracting retail investment

How to use retail investment to regenerate deprived areas.

Retail as a catalyst –it creates the context for change.

Retail as a starting point and overall generator of jobs in UK. The research by King Sturge showed that many people (around 43%) worked in retail at some point even though they may have moved on to other forms of employment

A lot of work is being done on encouraging recruitment from previously unemployed people to retail jobs. More needs to be done on supporting people once in retail jobs.

Conclusions from Work in Harlem

A lot of work by retailers doesn't uncover opportunities in deprived areas –still too based on out-dated perceptions. Need to work with police on crime statistics etc.

What is buying power of deprived areas? Spend is leaking away from such areas.

Work on the Cash Economy in the Harlem showed extent of local economy - not picked up by official statistics.

Rocket Science are leading work on 'drill-down' approach to looking at the economy in deprived areas www.rocketsciencelab.co.uk

A key issue is engaging with retailers to support local businesses. – need to be clear what sort of businesses and being supported. While there is a lot of attention on helping local shops, there is very little focus on supply chain opportunities, which have been limited to supermarkets selling local food. .

Programmes in US aim to use BEM suppliers. This can outstrip corporate philanthropy in terms of its total value.

UK example of Greater Easter House Corporation in Glasgow and creation of social enterprise to deliver contracts resulting from large-scale retail-led investment. There is more potential than just looking at supermarket supply chains.

'Clone town' debate is too simplistic. Many high streets also have some small 'independents' are undesirable – betting shops, off-license, etc - and negatively impact on the trade of the surrounding good local businesses. Too often, we avoid addressing the quality of local businesses. As with large retailers, sometimes the bad to bring down the good. .

Large retailing investment raised confidence in the area. In Harlem we worked with 10 'anchors' to help them secure advantageous leases.

There are various examples of programmes by retailers to support existing businesses e.g. loyalty cards. There is no one way to do this.

Example: Gallagher Group working with local businesses in Bradford – new equipment, range of shopping. We need to encourage this dialogue and move beyond employment support.

We aim to give feedback to CLG on the challenges on retailing in deprived areas in order to help them with the current review.

Planning for retail development

Roger Chapman, Strategic Planning GOL

Presentation sets out the main focus of PPS6 which is about to be revised although key principles will remain.

Aim: to draw attention to the links between retail planning policy and deprived areas.

- Policy background to tackling deprivation – NSNR, NDCs, - narrowing the gap between deprived and other areas. There is a role for retailing in this.
- Planning system has a positive role to play. Through regional planning and local planning framework
- Brings together economic, environmental and social, using local government's 'place-shaping' role
- Planning needs to make things happen – not just colours on maps impact on all sectors and in promoting sustainable forms of development that tackles deprivation
- Some PPSs are more relevant to this debate than others e.g. PPS1 (overall framework), PPS6, PPG13 on access, also PPS 4 currently out for consultation in draft form.

Key messages in PPS1 on importance of an holistic approach to tackling regeneration – physical change is not enough.

PPS 6 -Town centres

PPS6 –focus on vitality and viability of town centres (town centres first policy) but also encourages investment in deprived areas.

Other messages in PPS6 planning for existing and new centres

Not just retail (e.g. arts, services, etc.) but other uses that promote viability and vitality of town centres

Also, enhancing consumer choice

Various references to deprived areas e.g. enhancing consumer choice esp in deprived areas, promoting social inclusion, and encouraging investment to regenerate deprived areas

Key message is the need for positive and proactive planning. Promoting growth and managing development and change

PPS6 argues in promoting growth in existing or designating new town centres, that priority should be given to deprived areas.

Deprived areas - PPS6 promotes use of the IMD which uses seven domains. Employment, health, disability, living environment, crime. (??)

Key policy considerations for retail in PPS6 are:

- Need for new floorspace – (Need assessment is being changed).
- quantity and quality, with greater weight to be given to deprived areas
- Sequential approach to selecting sites –but give weight to sites that serve deprived areas
- Scale of development
- Impact of development - positive and negative (this will feature more in revisions to PPS6)
- Accessibility – public transport accessibility key for deprived areas (given that many may not have cars in these areas)
- Also, effect of the climate change agenda

Other important issues in PPS 6:

- Social inclusion –will development help those with poor access to goods and services
- Employment – realistic assessment of net change an higher skill opportunities
- Economic growth –unpack and avoid double-counting through displacement
- Physical regeneration -unpack an avoid double-counting through displacement

In London, approach of GLA takes a slightly different approach to defining deprived areas and uses 20% most deprived rather than 10% which is what is used nationally.

Conclusions

- Policy is about encouraging retail development to existing centres in deprived areas
- Understanding what communities need
- Working with all key stakeholders
- Requirement for a good understanding of the needs of deprived areas
- PPS6 may not be the main use but can have a big impact on deprived areas.

Govt will shortly be publishing revisions to PPS 6. There will still be a focus on TCs with new impact test. Will also strengthen way Planning system promotes competition and the interests of consumers. DCLG will also bring forward new guidance to help Local authorities.

London Plan and policy context

Publishing Feb 2008, forms part of development plan for London. Threefold vision – economy, tackling social exclusion and environment.

Town centres are supported, emphasis on sustainable access to services. Aims to spread retailing from two international centres to district and local centres. These form London network.

The London Plan promotes in-centre development first, and also promotes the accessibility and competitiveness of centres. There is an emphasis on promoting the vitality of centres which is measured regularly.

The GLA takes a proactive approach- assessing need and potential to accommodate this. Sequential test is followed, TCs first.

In considering comparative goods there is a slightly stronger focus on larger centres, with convenience goods a greater focus on smaller centres

Policy 3D.3 in the London Plan looks at under-served markets. There is a need for an analysis-based approach.

20% most deprived areas focus. Areas of deprivation are mostly but not exclusively in inner London, some pockets are in suburbs.

How much floor space is required?

GLA recently commissioned Experian to research floorspace need. The process followed the standard process of identifying floorspace need including special type of trading e.g. internet. This is mapped against current supply and calibrated by transport network and consumer demand. The work also provides a map of expenditure.

The outputs of the project will be available in May/June.

Under-served Markets in London

GLA have looked at areas of regeneration in North/East. Not necessarily a correlation between under-served areas and areas of regeneration. But there are limitations to the analysis – doesn't distinguish between comparative and convenience goods or look at quality of space. Also there may be good retail centre provision situated next to deprived wards and good public transport to access it. However, the analysis provides a guide on where to look.

Access to public transport is key in terms of how well markets are served. This also matters in terms of sustainability and also equity - in inner London 50-75% of people don't have access to a car. This situation is often masked in outer-London.

Walking access to town centres map shows some areas (e.g. Bexley, Croydon, Baring and Newham) where walking access can be poor.

There is a need to identify opportunities for new provision – e.g. Silvertown Quays, Barking Riverside. May be scope elsewhere for local centres to increase their role. This will need to be coordinated through the sub regional frameworks.

Implementation – private sector maps may well be more detailed. There is a need for a partnership with Las and local communities to bring forward new

provision. GLA are looking at using Sub-regional implementation frameworks to identify possible changes to network. GLA also utilise TC 'healthchecks'. In addition, GLA are producing supplementary guidance which will draw on USM project findings.

Questions and discussion

Q

To what degree can Las influence the mix on the High Street?

A

Development control is the wrong stage to try to influence the situation. Need to focus on development framework and suite of documents. Is there a 100% correlation between map of areas to encourage investment and map of deprived areas.

Q

Is there a need to re-think concept of need? Why does it apply to retailing but not commercial, housing etc. Fewer and fewer people live in town centres. Suburbs have great needs but not picked up.

A

Opportunity to test this will be via CLG consultation on the revised test. Competition Commission also picked this issue up. An area of need could well be a housing estate i.e. not a TC. Boroughs have key role in terms of their retail strategy.

In terms of London Plan and offices it is referred to as 'demand' not 'need' but does guide new development. In terms of retailing - yes need to identify capacity and accessibility.

Q

Is there a type of retailing that is better for regeneration?

A

Hard to decide this at a national level. Locally it is possible to see which outlets contribute to vitality. Challenge is to address the quality issue as well as campaign to preserve all local shops.

Q

Problem is that planners don't have control over quality and type of retail use. Central Government would need to give powers for this. There may not be the market for shopping.

A

The way BIDs have been set up in the UK doesn't help as owners may not necessarily be involved.

Q

It is important to raise local expectations. Some areas do not have the ambition to improve the area.

Q

What was the regulatory framework like in Harlem.

A

It was a different context. In NY- Government does what it needs to do to get out of the way.

Dominic Campbell, London Suburbs and deprivation

Quote from Vesna Goldsworthy, Centre for Suburbs: "Suburbia is the love that dare not speak its name"

Suburbs have traditionally been places that people aspired to living in. However, outer London has recently dipped below inner London in terms of satisfaction levels.

Project theme: Successful city-regions need successful city-suburbs.

Aim was to connect suburbs with the city. Aim to develop 'suburb-shaping strategies'.

Suburbs as the home of aspirational Britain (or London). 50% of Britain lives in city suburbs.

Investment in suburbs levers greater ROI investment for urban areas and drives urban success.

There is a series of myths surrounding suburbs i.e. it's not true that they are mono-class, mono-cultural, purely residential or wealthy.

Project identified the real suburban story: suburbs are centres of creative economy (i.e. where knowledge workers are based in the evening anyway) but also where many 'sink estates' are located.

Local Futures analysed suburbs at national and local level.

Features: a massive jarring of lifestyles – of contrasts. Development of 'hour-glass economies – i.e. represents both high earning people and low wage economies.

Focus on LB Barnet – borough is well served in terms of high skill, high earning workers. But at ward and even more so SOA level the averages are

shown to be masking inequalities. Barnet is in top 10% more prosperous but also the 30% most deprived.

LB Barnet's response is to develop a whole new Brent Cross Shopping Centre as a new town centre the size of St Albans.

Full study is available at: www.capitalambition.gov.uk/index.htm

Questions and discussion

Q

What impact will the expansion of Brent Cross have on TCs in adjoining Boroughs.

A

Not clear what affect it will have. Brent Cross is trying to go 'up-market'.

Q

What is a socially-sustainable suburb and how is this measured? How can the worst be helped?

A

This is a political issue. Need to know what sort of suburb you want to be. Barnet is happy to a dormitory suburb – but you might want to reduce commuting and this could be a measure. Key message – **understand your suburb.**

Q

If the Brent Cross scheme is the 'big bang, what is the 'small bang' approach to deprivation in Barnet?

A

This hasn't been addressed in Barnet although LSP has list of 9 areas to target pockets of deprivation working with DWP.

Q

How do people shop in the suburbs?

A

Barnet have commissioned a report on retailing and suburbia. This is the missing piece of information - how do people shop in suburbs?

George Nicholson- NRPF

NRPF started in 1996 in order to provide a better information base for public sector practitioners and to match what's available in the private sector. It is also a place where public and private interests can meet. Has membership

from LGA, retail companies, land owners, developers and consultants. It is a charity and runs events e.g. bi-annual event on retail planning. Now it is also building up a comprehensive knowledge base (e.g. retail floorspace trends) featuring work which has been prepared by University of Stirling (annual bibliography) and others. Also prepares a regular newsletter and briefing papers on various topics as well as updates on the web page. For more information, see www.nrpf.org.

Case study 1- Planning for Retail-led Regeneration, New Addington

Iain Simm, Divisional Director, LB Croydon

Planned as a garden city, now a sink area. Manufacturing loss hit this area hard and little has taken its place.

LB Croydon is using retailing as a way to rejuvenate the area.

Arrival of new tram route has been very useful. Journey from New Addington (NA) to Croydon town centre by car formerly took up to an hour.

The scheme:

- Phase One delivery after consultation.
- NA has an existing centre – how to minimise disruption
- Diminishing outlets – mostly food and drink
- Project is trying to put the heart back into the place
- Timetable is tight

This is Council-owned land. This helps to meet community ambitions. There is a long list of community facilities that will result e.g. larger library.

The eventual scheme will include a large Tesco. 250 residential units 30% affordable housing (the lower than 50 % target is because this is not the need here).

Planning policy context

'Old –style UDP adopted July 2006 with NA as new centre. Retail was appropriate. But also tried to encourage other uses, active ground floor frontages etc.

Retail spend is available as a lot of spend was leaking out.
Social objectives – deliberate policy to encourage mixed use.

Community set out a range of services that they expect to see on the site.

Employment – there will be a range of employment (not only in Tescos) available.

Tescos took over public consultation and are working with community stakeholders. The scheme will also provide Addington Community Association with a new facility.

New development will be here by early 2010.

Questions

Q

What is overall cost?

A

£75m. L B Croydon is putting in land.

Q

How has consultation been carried out with local businesses?

A

Croydon Town Centre Manager has led relationship building. Have looked at other Tesco stores including the type of offer available, who will face most competition. Have introduced new programme to build up capacity of these businesses. Have also worked on public realm. In addition, started a management company for the area to help all businesses.

Q

Is there an endowment fund to manage the village green, etc.?

A

As district centre are developing a BID. Aim that this will become sustainable. No endowment for public areas - public spaces will be run by local authority.

Q

What were planning challenges?

A

Not much challenge in planning terms as this is the main centre. Interesting discussion was more about what else should be allowed in apart from retail. In order to get footfall A3 uses can help. Made a decision to go with old style UDP and also produced a planning brief (4 sides of A4).

Q Any discussion with Tesco on jobs?

A

Are working with Job Centre Plus on this.

Q

How challenging to get a scheme that was acceptable to Tesco but also encouraged footfall for other businesses

A

First attempt didn't work for Tesco's due to the demands from Croydon for community facilities etc. Tesco's answer on their car park is to argue to keep it at ground floor level but is better where car parking encourages people to go out of the town centre. Here people are encouraged to use existing facilities.

Q

Are you negotiating free shoppers car parking at Tesco's for people using other shops?

A

Tesco's allow people to stay for up to 2 hours. Are keeping pay and display car parking.

Gipsy Hill development -Sharon Baldwin, Head of Town Centre Management, LB Croydon

Had a Morrisons store which left around Christmas. People then said they liked supermarkets and wanted one built again. Sainsbury's took over the store. Good relationship both pre-and post-store. Held a welcome party when they arrived.

Same time that this was happening LB Croydon received a Local Enterprise Growth Initiative grant. This allowed them to put a structure in place to help district centres. Have team of 7 district managers who build relationship with the business community.

Arrival of the store brought new confidence, wider shopping hours. They developed a plan for area and have forged a strong business partnership in each of their areas. The TCM must understand how their areas work and what the issues are. They operate by helping the areas raise issues. Each centre is branded and 'colour-coded'.

New businesses are welcomed to area –have developed welcome packs. Have two planning officers that advise any new arrivals. Also have two surveyors on team.

If they have a vacant site they identify what is missing and go out to encourage this. Have in the past put two symbiotic businesses together.

DC Managers did business profile of their areas – photo study, leases, traders, what they need etc. Also a comprehensive data base on what customers are needed. Also, carried out disability audit for areas then particular premises.

Press coverage in local papers was mixed. To combat this they have produced their own paper for each of their district centres – 8 pages of good news!

Have safer neighbourhood team but have recommended that areas manage their own crime –or in reality the local perception of crime.
Have approached young people which are often seen as a problem to try to cater for their needs.

Markets- offer an opportunity to look at retailing holistically. They offer 'one-off' markets where people can sell their wares.

Also do traditional TCM activities.

Q

How are they funded?

A

Funded by LEGI until April 2009 -when should be self-sufficient via BIDs to be set up in all districts.

Q

How do they work with existing businesses but also see opportunities for new ones?

A

Peer pressure of other retailers is most powerful. Also use carrot and stick- e.g. enforcement. Want to be the voice of **good** business.

Q

Place branding – how is his done?

A

Refer to good characteristics and re-discover the area's traits. Have introduced loyalty card scheme which has worked.

Q

What are you doing with property owners. What can be done in areas without LEGI funding?

A

Get to know who owns what. Find this out by talking to people or use Land Registry. Reinforce message that they have a responsibility. Need to achieve a win-win situation in order to encourage owners to invest.

Problem without LEGI funding. Council would need to support. One of the business could take on the role of cajoling others perhaps.

Q

How are you measuring success?

A

Are looking at all usual measures (but vacancy rates may be due to re-development so may not be a good indicator of decline). Also using softer-measures e.g. perception of area.

Q

How did you work with local traders?

A

It is an advantage if they are also freeholders. Offer more for those who own and work locally as businesses. Hope that BID will encourage them to participate. Offering practical solutions for now e.g. crime reduction for newsagents.

Discussion

What are issues in the up-coming review of planning?

Get rid of need test. Retail studies find it easy to prove this –it's a battle of statistics and inspectors are sick of this.

PPS6 now have key tests- but retail-led regeneration is not one of them. Need a greater explicit reference to retail-led regeneration in revised PPS6.

We must make a distinction between needs test in development control and need more generally. No need to prove need in town centres only edge or out of town.

There is a need to maintain expenditure levels to keep spend in the local economy and stop it from leaking to other boroughs. Danger of needs test disappearing may be that expenditure leaks out.

There are existing suburbs that should not be allowed to decline while we support town centres.

Important to meet **social** as well as **retail** need. There is a danger of supporting town centres but letting suburban deprived areas decline.

Need to get behind 'impact test' – not just business displacement –but socio-economic impact too.

LEGI, BID funding etc. is relatively short-term. Need to plan over longer period.

Need and impact goes beyond quantitative measures but danger is that this may be more arbitrary and may slow system down. An additional test that measures impact on social deprivation would be good.

Local authorities would like some assistance on what the measurables are. Retailing must be linked to place. Some retail investment can act as a block – e.g. new shopping centres that shut at 7pm and act as a physical barrier.

Increasingly shopping centre owners are focused on CSR issues and these are benchmarked and used to measure social, economic etc success. Given their fragmented ownership pattern Town centres don't generally do this.

Problem with town centres is that they are made up of many traders that need to be brought together and the benefits demonstrated.

Economic regeneration and climate change benefits are not necessarily contradictory. Many benefits save money. Some climate change specialists don't recognise economic and social benefits.

Local Employment Partnerships are being used to encourage businesses. This works well with larger businesses but less so with smaller ones. They are a good way to join up the different programmes in an area.

New Addington has tried to encourage local labour using JCP.

What are the main challenges?

Involving the community in development and making it open. Are there issues about language? Yes especially in areas where many languages are spoken. Local traders need support. There is pressure to get through consultations on plans and planning applications. Too much consultation is about needing to be seen to be asking questions but not being prepared to listen.

There is also a need to cater for the night time economy and try to continue from shopping hours through the evening into the night time.

If you engage community need to be able to deliver on time.

Tower Hamlets are using 'drill down' approach. They have the issue of quality of provision where anchors have left smaller centres. How do street markets compete with budget shops etc. such as Primark? There is a need to get the offer right and mix of retailing.

Closure of post-offices and impact on smaller shopping parades is an issue. Post offices acting as translators and providing other services.

Problem of fragmented ownerships. Easier in shopping centres where ownership is clear and concentrated.

Need to broaden consultation and move beyond 'usual suspects' who always respond.

Local authorities are often not ambitious enough in asking what they want from developers.

Issue of long-term governance of urban areas is crucial but a bigger issue.