

## Lifting the Burdens from Local Economic Development and Regeneration

### The importance of retail to the economy

Retail is an important contributor to the economy in terms of employment and GDP. Retail accounts for 8% of GDP and employs 2.9 million people. Retail development brings economic and social benefits through providing employment and creating vitality and viability.

Economically-successful town and city centres are both the drivers of the regional, sub-regional and local economies and the barometer of a region, sub-region or a locality's success. Major retail developments are frequently the anchors for town and city centre regeneration and are critical to the renaissance of our towns and cities. Shopping centre developments have played a major role in transforming most of our major towns and cities and are now seen as vital to the regeneration of the next level of centres that desperately need investment. They are the vital ingredient to creating prosperous places.

At the local level, the inclusion of ground floor retail in commercial and residential development creates active frontages, providing security and vitality. Town centre retail developments make efficient use of land and can reduce the need to travel, especially when they enable multi-purpose trips. Shopping centres provide choice and convenience and increasingly provide a wider range of services and transport offer.

Key to such renaissance of our town centres is:

- Effective place shaping - through strategic decision making and delivery, integrated regional strategy and local economic assessment
- Funding mechanisms - to allow long-term planning, local flexibility and alignment
- Strategic infrastructure - through planning, funding and reporting requirements, and
- Skills and work - through flexibility in working with partners and fulfilling the new local authority role.

We understand and support the review and the recognition that performance for both the economy and public services can be enhanced with greater local flexibility, integrated, streamlined decision-making and minimised bureaucracy.

Our response to those questions set out in the Report is set out below.

### A) Barriers to Place Shaping

- i) Strategic decision-making and delivery

BCSC agree that an aspiration for improved working across local authority boundaries should be a key feature of the SNR. Assessments of requirements for new retail floorspace should be based on natural catchments, not administrative areas.

We support the approach adopted under the pilot MAAs, and other existing sub-regional partnerships, in both identifying new opportunities and areas of bureaucracy, and barriers from the Government (and its agencies) which slow decision-making and delivery.

Our response to questions set out under 'strategic decision making', are set out below.

#### Questions:

For pilot MAAs: Are there specific bureaucratic burdens from Government or its agencies that your MAA is seeking freedom from. If so what and why?

Not applicable

For others: Are there specific bureaucratic burdens that are inhibiting your authority from developing effective economic strategy and delivery mechanisms either alone or in partnership?

Not applicable

Are there any potential practical barriers to delivering economic development and regeneration presented by the SNR proposals, particularly for two-tier and rural authorities?

Potentially greater burden on administration and consultation for issues such as planning.

Are the well-being powers granted in the Local Government Act 2000 sufficient to allow Local Authorities to place-shape effectively? Are there barriers to using these powers effectively?

Greater understanding and willingness to use CPO powers in the effective land assembly of complex town centre schemes would be advantageous.

Are there any barriers to regeneration posed by the different funding streams of major regeneration agencies (e.g. English Partnerships/Homes and Communities Agency)?

No comment

In relation to the LAA, MAA and forthcoming CAA arrangements, are the respective roles of Government Offices and the Audit Commission clear with regards to the appraisal and monitoring of economic development?

Yes

#### ii) The single integrated regional strategy

We support the SNR in the proposed introduction of a single integrated regional strategy to join up social, economic and environmental objectives for each region. We are, however, concerned that the current proposals lack any spatial dimension and

have failed to identify town and city centres as key drivers of the regional, sub-regional and local economies. If these strategies are to be driven by the need to create “prosperous places” they need to be more spatial in character and focus on strengthening the key drivers - town and city centres.

Our response to questions set out under this section, are set out below.

#### **Questions:**

What bureaucratic burdens do the RES/RTS/RSS/RHS currently place on LAs that you would want the new Regional Strategy to avoid?

A regional strategy, by its very nature, may determine authorities which ‘win’ and those which ‘lose’: it will be important to establish a system which is fair and be able to deal with the diversity of many of our regions. To do this it will need to involve local authorities effectively. However, a system has to be set out which is transparent and certain in order to avoid an unnecessary bureaucratic burden while maintaining democratic accountability. This in turn, may assist in speeding up decision making in planning, strategic funding, etc.

#### **iii) Local Authority Economic Assessment Duty**

We note the SNR also proposes that local authorities have a new economic assessment duty. It is expected that Government will not monitor the implementation of this duty but its effectiveness would be assessed as part of the Comprehensive Area Assessment.

Our response to questions set out under this, are set out below.

#### **Questions:**

How could the new Regional Improvement and Efficiency Partnerships most effectively support local authorities in developing economic assessments for their areas?

By setting certain parameters and frameworks for such assessments which will allow economic assessment to be approached and produced in a manner, that will allow side-by-side comparison across and between regions.

Does Government collect and share data in the right format and at the right spatial level to assist local authorities in carrying local economic assessments? If not how could this be improved?

A single, unified source of central data for retail spending, floorspace and other key town centre indices would be beneficial. However, it is recognised that this could require significant resource to establish and be potentially labour intensive to maintain.

The data on retail floorspace collected by the Valuation Office Agency and published by CLG, is a grossly underdeveloped and underutilised resource. More consideration needs to be given by VOA and CLG to producing floorspace statistics that are essential for developing regional, sub-regional and local retail needs assessments and essential year-on-year information on additions and subtractions from stock, which need to be presented at national, regional, sub-regional, and local authority levels by size of units

and whether they are within or outside town centres in order to monitor the performance of planning authorities in terms of the Government's policy for locating new retail development in town centres.

## **B) Funding and Strategic Infrastructure**

The BCSC will support policy changes to funding and strategic infrastructure which achieve better delivery frameworks and which lead to effective joined up regeneration of our city and town centres. We recognise that there have been some steps made towards this through the simplification over recent years with the introduction of Local Area Agreements and Regional Development Agency (RDA) single pot funding. The local authority role in place making and the provision of essential infrastructure is critical and one which retail development can and does support. More, however, could be made of the role of retail development in promoting economically-successful town and city centres, ensuring that town centres provide jobs and services to which everyone can gain access.

Our comments on the issues raised are set out below.

### **Questions:**

What are the barriers to developing longer-term regeneration strategies in your experience? What more could be done to promote longer term strategic regeneration partnerships?

Greater certainty in terms of policy stability, in the funding regime and the ability to secure funding over a longer-term period.

What reforms to LABGI would create greater certainty and integration with local regeneration finance?  
No comment

In your experience, how could appraisal mechanisms be made more effective and efficient to allow the holistic regeneration needs of an area to be addressed?  
Greater regard to flexibility and local economic climates as part of the appraisal process would allow greater opportunity to think creatively about regeneration, rather than, in some cases, requiring the need to progress a 'one size fits all' approach to a scheme which will stand the optimum chance of success.

Will the new ABG overcome previous barriers and align different funding streams effectively?  
We consider, if implemented correctly, it will.

In light of the SNR, will collaborating areas more readily be able to access regeneration funding (despite of existing funding structures) that supports their sub-regional aspirations?  
It is our understanding from the framework that much will depend on the approach adopted between the collaborating authorities themselves, but theoretically, yes.

What enabling measures could government provide to allow local areas to realise greater leverage of private finance?

Central resource for marketing and skills training, to enable forward thinking and commercial approaches to working with the private sector. Greater certainty in planning and other development framework documents on the approach which will be adopted in any public/private partnership in enabling the delivery of the development.

How effectively do the current transport funding arrangements through the LTP2, TIF and Regional Funding Allocations work to support and stimulate regeneration activity? Do you think there is scope to improve alignment and if so how?  
No comment

Do you think the arrangements for reporting LTP2 will reduce the burden on your authority? If not, how do you think they could be further reduced?  
Not applicable

### **C) Skills and Worklessness**

As we have identified, retail accounts for 8% of GDP and employs 2.9 million people and is thus an important contributor to the economy in terms of employment and GDP overall. Moreover, retail development brings economic and social benefits through providing employment and creating vitality and viability.

Retail is particularly important in this regard as highlighted in the 'Under-served Markets: Retail and Regeneration' report. When launching the Report, John Healey MP, Minister of State, on 27 October 2007 said:

"The benefits are two-fold. Firstly, local authorities can improve the lives of their residents by tapping into the retail potential in their areas and at the same time providing an entry point to employment. Secondly, deprived areas also offer commercial opportunities for retailers as they would be filling a gap in the market."

It is important to assess the important contribution which education and training plays in employment. This is a key agenda for the BCSC in 2008 and beyond: initiatives such as the BCSC Student Portal and work with Skillsmart in developing the National Skills Academy for retail, aligned with initiatives for Managing the Night Economy in collaboration with the Civic Trust and BIIAB, illustrate the importance of 'vocational' training for people and the contribution which retail operations can contribute to the overall enhancement of employment opportunities. The BCSC, in collaboration with the College of Estate Management, also offers a two-year diploma course increasingly recognised as providing formal qualifications for shopping centre managers.

We support the Government's objectives as set out now in draft PPS4 to ensure a good range of sites for economic and mixed-use development and a responsive supply of land. The recently published BCSC report: 'The challenge of mixed use' supports the drive towards mixed-use development and the need to maintain an active mix of uses, including residential and retail uses, as part of urban renewal proposals. In this way,

beneficial regeneration of an area can take place with social and economic advantage to residents and businesses alike.

We agree that both the demand (the skills requirements of employers) and the supply (number of workless people) needs of the local labour market can be directly met by bringing together the resources dedicated to each.

Our comments on the issues raised are set out below.

**Questions:**

How effectively do you think your local authority is able to work with other partners to drive skills and worklessness activity for your local labour market? If there are barriers to successful working, what are they?

Not applicable

Are partners in skills and worklessness sufficiently able to align their resources around local priorities to deliver locally defined strategies? Please give examples either of successful local alignment or barriers to alignment including details of any bureaucracy or burdens which stop effective working.

No comment

How effectively do national, regional and local priorities and targets work together? Do you think there is scope to improve the alignment, and if so how?

Greater regard should be had to a co-ordinated public/private sector approach to the provision of skills and education and the recognition of the contribution retail can provide to this through co-ordinated training programmes.

'Raising Expectations: enabling the system to deliver' is proposing changes to the delivery infrastructure, including a broader role for local authorities. What could be done to ensure that this does not create additional burdens, but rather helps to reduce burdens in economic development?

There is a requirement in some cases for local authorities to be more pragmatic and flexible in the application of local circumstances and the potential effect this may have on the delivery of infrastructure in order to achieve economic development which will generate employment and income to a catchment, leading to economic and social prosperity. There is also a requirement to ensure that any enhanced roles for local authorities is matched by the 'skilling up' of relevant staff in order to deal not only with the enhanced burden, but also the close liaison with the private sector which should take place under the new system.

We trust that the above comments can be taken into account and look forward to commenting further if additional issues are raised as part of the consultation process.