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Jenny Jones AM
Chair
London Assembly
Planning and Housing Committee
City Hall
The Queens Walk
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Dear Ms Jones

REVIEW OF MEASURES DESIGNED TO SUPPORT LONDON'S LOCAL AND NEIGHBOURHOOD SHOPS

On behalf of BCSC we are pleased to respond with the following views regarding the above in response to your letter of 13 October 2009.

We represent businesses operating in the retail property sector. Our membership is a broad church of nearly 3,000 property professionals including owners, developers, retailers, surveyors, architects and public sector managers.

It is recognised that smaller shops have faced a serious threat to their livelihoods over recent years. This is as a result of a combination of out of town regional shopping centres, out of town and edge of town large supermarkets and increased product range of large format retailers. In addition changing social patterns to bulk supermarket shopping, local authority parking restrictions and charging, reduced choice of retailers and deteriorating public realm in our high streets, along with an increasing and disproportionate business rates burden, have affected the viability of small independent retailers.

Our members have long supported independent retailers and recognises them as a key part of the vitality of shopping centres and town centres and in particular our high streets. They recognise the issues related to a small number of national multiples forming the shopping nucleus of every centre and are committed to finding solutions to diversity, better shopping mix and better placemaking, by the incorporation of a broader mix of retailers. We recognise that this is a contributor to commercial success and the attractiveness of retail locations.

We have consistently highlighted the contribution of independent retailers as one of a series of strands to be encouraged by local authorities and developers alike to maintain high streets. In fact, following the publication of our research report 'The Smaller Towns Report'



(enclosed) highlighting the issue of regenerating our smaller towns and suburbs, we held a joint seminar with the GLA on this subject at City Hall.

The best way for independents to succeed is for them to trade profitably. The measure of a profitable location is a constant footflow of customers past their door. Traditionally in towns and in shopping centres, this is created by the proximity of larger anchor traders, whereby the natural routes from parking to anchor, or groups of major stores, would route people also past smaller shops. In addition, a commitment to placemaking would seek to design an offer of independent traders and food and beverage outlets to enrich and prolong the shopping trip.

Historically, internalised shopping centres would seek to maximise value by achieving prime pitch throughout. Today new shopping is generally designed as a range of streets with a range of values integrated into a town centre and therefore identifying locations for smaller traders is not difficult and is desirable.

Even if new additions to a high street involve solely national traders, the planning of the project should ensure that it is integrated with the existing stock such that the pitch for independents is improved. One of the common fallacies with new shopping projects is that it damages existing traders. In practice the opposite should be true leading to additional trade for all. Examples of landlords targeting independent retailers to achieve better tenant mix are Howard De Walden Estate in Marylebone High Street and Land Securities at Princeshay Exeter. In addition commercialisation (the generation of non-core revenue by shopping centre owners) in shopping centres is increasingly providing a space, and support, for niche and start up retailers to flourish and expand.

It is rare that there is a shortage of available shops in existing high streets for independents. Unfortunately some local authorities have allowed their attractiveness to decline through a deterioration of the public realm, reduced public transport, high parking charges and conflicting planning consents for competing centres.

PPS6, which is being incorporated into a policy statement for prosperous communities (PPS4), is intended to be the planning control to protect town centres and in itself should be adequate protection. Recent CLG statistics show however that less than c. 30% of new retail floorspace has been within town centres¹. The CLG definition of edge of town being outside 300m means that it is possible also for new space to be consented which is not integrated with existing retail and that footflows can be damaged.

Considering how a concept of 'affordable shopping' could be introduced or applied highlights further the problem with the issue:

- What is the minimum size of development this could be applied to?
- Do you impose an artificial rent as a percentage of the market rent?
- Do you impose a percentage requirement for the number of independent retailers?
- How would a new use-class for independent retailers be defined?

¹ CLG release www.communities.gov.uk/documents/statistics/pdf/1356176.pdf

In all of the above examples value would be undermined at a time when few projects are viable and capital values have fallen by up to 50% in some areas. This is because the rental income will be reduced and the covenant strength will also be reduced. In addition a developer has to be in a position to take the risk on an independent trader succeeding since he will now be penalised further by the imposition of empty rates.

Independents also are not always keen on being within new developments, there would commonly be a service charge in addition to a rent, and they may be bound by a tenants' shopfitting guide to achieve certain minimum design standards for their shopfront and fit out.

The solution is in planners having the correct commercial retail guidance and understanding in generating development plans and regeneration proposals which deliver proper retail-led masterplanning frameworks for new retail space, integrated with existing retail street patterns and footflows.

In small towns and suburbs there is no one-size-fits-all solution. Local authority strategies must include all strands including retail planning, public realm improvement, car parking facilities, avoiding penal car parking charges, public transport, town centre management, evening economy strategy, residential planning strategy, security etc. Local authorities are frequently fixated on how to attract high profile department stores whereas their energy can often better be directed at a combination of smaller complimentary measures to achieve local distinctiveness and convenience to satisfy peoples desire to shop locally rather than regionally.

We would of course be happy to discuss our position on this issue in more detail.

Yours sincerely,



Edward Cooke
Executive Director
BCSC