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Rt Hon Alistair Darling MP
HM Treasury
1 Horse Guards Road
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27 November 2009

Dear Chancellor,

BCSC submission ahead of Pre Budget Report

BCSC represents businesses operating in the retail property sector, our mission being to promote industry best practice and advance the professional aims of the retail property industry. Our membership is a broad church of nearly 3,000 property professionals including owners, developers, retailers, surveyors, architects and public sector managers.

It is widely recognised that retail-led development provides a vital catalyst to regeneration in the UK's town and city centres, acting as an important mechanism to revitalise communities by providing jobs, promoting economic growth and creating attractive places to draw people into. In turn the retail sector offers significant employment and training opportunities for a wide range of different socioeconomic groups including low income families, disadvantaged and minority groups and promotes and supports social inclusion, providing a real platform for social mobility. As you will appreciate, an active development pipeline is crucial to ensuring that retailers can meet their requirements for new space in the future and therefore realise the opportunities that a vibrant retail sector brings to local communities.

Our recently published research (Annex 1), produced in partnership with Lunson Mitchenall, the retail property agency, highlights that virtually all development that is not yet under construction will not be delivered until the consumer market improves, which could be several years.

We believe that Government has the power to revitalise the development pipeline and therefore help communities deliver the positive consequences of regeneration without delay. We are therefore writing to urge you to address this in the forthcoming Pre-Budget Report.

Key recommendations:

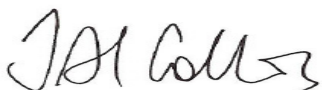
1. We urge you to commit to the **rapid rollout, where viable, of a UK variation of Tax Increment Financing (TIF)**. We strongly support the introduction of TIF in the UK for several reasons, including its more efficient approach to infrastructure financing than the current public sector approach and its very significant capital raising potential. We welcome the emerging focus on TIF, and we feel that it is important that momentum is maintained to urgently establish their detailed relevance and applicability in the UK.
2. We would welcome a commitment from Government to **review the implications of its ineffective policy on empty rates**. The effect is simply additional cost pressures on retailers and landlords alike who are finding it extremely challenging to sub-let or sell property due to a lack of demand.

The combination of reduced income from rent and increased taxation following the decision to remove empty property rate relief after three months also increases the likelihood that landlords will default on their loan agreements. Banks, including those where the Government has a significant interest, have been forced to take ownership of these assets that in many cases have had equity wiped out, further increasing their exposure to toxic debt.

3. Finally, we urge the Government to support measures which **ensure local authorities work with their development partners in constructive and progressive ways** to aid the processing of planning applications. The planning system must not be seen as a means for local authorities to add a host of additional planning gains, which have over-burdened many of the existing development proposals. The planning system should be utilised in a way that ensures the best regeneration outcomes for communities are delivered. We would urge the Government to continue to implement the recommendations of Killian Pretty to speed up the planning process, specifically legislating to allow the local planning authority to make a decision after a defined timescale in the absence of a response from the statutory consultee.

We would of course be happy to discuss any of the points raised above with you, or your officials, in more detail. If you would like to receive any further information from BCSC, please feel free to contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'JAI Collins', with a stylized flourish at the end.

Jeremy Collins
President
BCSC