

02 February 2007

Rt. Hon. Ruth Kelly MP
Secretary of State for Communities and Local Government
Communities and Local Government
26 Whitehall,
London
SW1A 2WH

Dear Secretary of State,

MEETING TO DISCUSS BARKER REPORT: 1 FEBRUARY 2007 at ELAND HOUSE.

Thank you for inviting us to this meeting to discuss the Barker Review of Land-Use Planning and its implications for town centres and retail development.

I would like to take this opportunity to set out our concerns about the Barker Review and to report on our recently-published research in this area.

BCSC

BCSC is at the heart of the retail property industry. It is a membership organisation that works with its thriving participants, representing every aspect of retail property activity and providing a forum for networking, research and developing partnerships.

Our main concern is that the planning system should provide the long-term policy stability needed to give investors and developers the confidence to develop long-term projects, such as city centre retail developments. We, therefore, strongly support the Government's 'town centres first' planning policy.

It has taken over ten years to increase the proportion of newly-completed retail floorspace in town centres from 14% in 1994 to 35% by 2005. This still means nearly two-thirds of new retail floorspace is built outside town centres, mainly in supermarkets and retail warehouses.

Whilst 78% of the new retail space in shopping centres completed in Great Britain between 1999 and 2005 was in town centres, the comparable data for supermarkets was 23% - much lower if all extensions and mezzanines were included - and for retail warehouses it was only 7%. It would appear from this analysis, that the main delivery agent of the Government's 'town centres first' policy has been the shopping centre industry.

Barker Review

There is much in the Barker Report to be welcomed; however we have a number of major concerns. Whilst the report says that it supports the Government's 'town centres first policy', it nevertheless proposes:

- streamlining of national planning policy, including perhaps PPS6: Planning for Town Centres - any suggestion that policy might change could greatly affect investors' willingness to make long-term investment in town centres
- in particular, the removal of the 'need test' for out-of-town retail developments - this would encourage large-format, out-of-town stores
- encouraging out-of-town supermarkets to facilitate competition

In the last ten years, despite the Government's 'town centres first' policy, there has been a great increase in the amount and size of large-format stores - including hypermarkets, retail warehouse parks and retail warehouses.

Likely implications of policy change

The Government's 'town centres first' policy has restored the confidence of the industry to invest long-term in the future of our city and town centres. Many of the top 50 centres now have new shopping centres or they are under construction - it has been a major success story. But not all of the city centres are secure yet - for example both Sheffield and Liverpool are still vulnerable if there were a resurgence of out-of-town development before the city centre regeneration is complete. It is, however, the next level of town centres that is particularly at risk if changes in policy create an easier climate for out of centre retail development.

We are concerned that the Barker proposals are not driven by a desire to support the Government's 'town centre first' policy - they appear more concerned with promoting larger formats out of town, rather than economically-successful town centres. These are more sustainable and offer wider benefits to all parts of the shopping population. As a result of this, investors and developers are likely to consider that town centre development projects are too risky and withdraw from schemes requiring a long-term approach.

We look forward to discussing this with you on Thursday.

Yours sincerely,

Michael Green
Chief Executive
BCSC