

## INDUSTRY CALL FOR GOVERNMENT TO RETHINK INTRODUCTION OF COMMUNITY INFRASTRUCTURE LEVY

**Towards the end of 2009, BCSC wrote to Government to stress our membership's view that now is not an appropriate time to introduce the Community Infrastructure Levy.**

During the last 12 months, we have seen a radical change in the fortunes of retail-led development. The stark consequences of the UK banking crisis, combined with falling capital values and consumer demand, has had a profound effect. Add to this the reluctance of banks to provide loan facilities to commercial property and to new developments in particular, and we have the recipe for stagnation.

BCSC research *The Retail Development Pipeline 2009* (published in partnership with retail property agents Lunson Mitchenall) has shown that virtually all development not under construction at present is unlikely to be delivered for several years.

To introduce a development levy at this stage would have the impact of further reducing the viability of potential projects. This would impact hugely on Government's (and opposition parties') objective to deliver regeneration throughout the regions, with associated negative consequences for employment during the development phase, and for job, training and housing creation upon completion of projects.

For more information: [www.bcsc.org.uk/DevelopmentPipeline2009](http://www.bcsc.org.uk/DevelopmentPipeline2009)

## BCSC urges London Mayor to take a pragmatic approach to the retail mix

BCSC has long supported independent retailers and recognises their contribution as a key part of the vitality of shopping centres, town centres and local high streets in particular. We are committed to finding solutions which will encourage diversity, a better shopping mix and more effective placemaking, thanks to the incorporation of a broader mix of retailers – a mix likely to add to the attractiveness of retail locations, contributing to commercial success.

It is vital to note that 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, transport, evening economy strategy, and security.

Local authorities are frequently fixated on how to attract high profile department stores whereas, we believe, their energy can often better be directed at smaller complementary measures that are likely to achieve the local distinctiveness that is so key to attracting customers.

For more on BCSC's position, as submitted to the London Assembly Planning and Housing Committee, please see [www.bcsc.org.uk/SmallerShopsOct09](http://www.bcsc.org.uk/SmallerShopsOct09)

## The impact of the recession on secondary centres

Shopping places are often the lifeblood of local economies and communities, particularly in smaller towns and cities. The failure of these centres can be detrimental to all involved – consumers, local authorities, owners, retailers and banks.

With this in mind, BCSC commissioned research to investigate the extent of the problems facing secondary and tertiary centres, the approaches being adopted to manage these assets and the action needed to facilitate their improved performance. This included interviews with a number of top lending banks, property companies, appointed administrators and

retailers. The banks included Bank of Ireland, Barclays Commercial Bank, Clydesdale Bank, HSBC, Westdeutsche ImmobilienBank AG, Eurohypo AG, Lloyds Banking Group and the Royal Bank of Scotland.

The research *Secondary Centres: The Impact of the Recession on Secondary Shopping Centres* identified four main detrimental factors contributing to secondary centres falling into administration or breaching loan payments, as a lack of investment; poor asset management; failure of a number of national retailers; and poor due diligence at the time of purchase.

In spite of these challenges, lenders involved in the research stated that they are taking a pragmatic approach in their willingness to extend credit for capital improvements and working with borrowers to ensure administration is a last resort.

It is hoped that this research will empower the industry to develop robust, collaborative, and long-term strategies to minimise the likelihood of failing centres in the future as we begin to edge out of the difficult economic conditions. For more on this, please see: [www.bcsc.org.uk/secondarycentres](http://www.bcsc.org.uk/secondarycentres)



## BCSC in Westminster

BCSC is the organisation representing retailers, developers, landlords, architects, agents and local authorities – all sections of the industry with an interest in the managed retail environment. BCSC activity includes reviewing legislation, disseminating information and developing policy appropriate for this industry.

To make contact with the retail property industry in your locality, to discuss the impact of legislation on shopping centres large or small in your area, or to understand the retail economy and the people it serves in your constituency, please contact BCSC Public Affairs Manager Philippa Latimer on 0207 227 3455 for further information.

For further information on BCSC and our activities, please visit our website: [www.bcsc.org.uk](http://www.bcsc.org.uk)

## BCSC Retail Property Statistics

- There are currently a total of 820 shopping centres in the UK, with 21% located in the South East and 12% located in the North West.
- A total of 1,340 retail parks exist in the UK, with 20% located in the South East, 11% located in the North West and a further 10% located in the West Midlands.
- The total retail and leisure floorspace devoted to shopping centres within the UK equates to 12.4 million sqm.
- The retail property industry currently employs over 7 million people across the UK, with 2.8 million people employed within retail functions and 4.5 million people employed in property services. (Retail employment is inclusive of all those who work directly within UK shops or their associated head offices. Property services employment is inclusive of shopping centre management, customer services staff, surveyors, agents, investors, asset managers, architects etc.)
- 80% (72.8 million sqm) of retail and leisure floorspace across the UK is classified as in-town, with the proportion of out-of-town schemes more prevalent within Yorkshire & Humberside, Wales and the East of England.

## Clarity from EU on Energy Performance of Buildings Directive welcomed

Ahead of the Copenhagen Climate Change summit, the EU came to an agreement on the Recast Energy Performance of Buildings Directive. BCSC was pleased to welcome this final clarity on the issues.

The deadline of 2018 for all new buildings to be 'zero energy' was removed from the text, which now states instead that by 2020 EU Member States must ensure that all newly-constructed buildings have a "very high energy performance". BCSC welcomes this greater flexibility in the definition and hopes that UK Government will implement this with the same pragmatism.

The definition of what constitutes 'very high energy performance' and a 'very significant extent' will also be left to Member States to decide. This means that the implementation at national level will be crucial.

The Directive obliges the public sector to set an example by owning or renting only this kind of building by the end of 2018 and by promoting the conversion of existing buildings into "nearly zero" standard. It should be acknowledged that this may have an impact on the kind of development that local authorities will be able to become involved in.

For more on sustainability, please visit our Sustainability Portal:

## BCSC welcomes PPS4

Government published the new Planning Policy Statement 4 (PPS4) on 29th December 2009, setting out its comprehensive policy framework for planning for sustainable economic development in urban and rural areas.

BCSC welcomes the new guidelines, particularly noting the retention of the important 'sequential test' for town planners, which requires the most central town centre sites to be developed first for shops, leisure and offices rather than out-of-town sites that lure high street shoppers away.

Our members recognise the need for the 'impact test', replacing the 'needs test', which will now give councils better control over developments that put small shops and town centres at risk. Using this test, development that could harm town centres will be assessed against key factors including climate change.

BCSC urges Government to adequately resource local authorities to ensure that they have the necessary capacity to process impact tests in a suitable timeframe.

## Markets 21 in the 21st century

The end of 2009 saw the publication of *Markets 21 - A Policy and Research Review of UK Retail and Wholesale Markets*. The report was commissioned by the Retail Markets Alliance with support from the BCSC Educational Trust.

The study revealed the following headline figures: the UK has 1,124 traditional retail markets; 605 farmers' markets; 26 wholesale markets; over 45,700 retail traders; an estimated 95,000 people directly employed on retail markets; 1,000 wholesale businesses; an estimated 10,000 people directly employed on wholesale markets; total retail market turnover of over £3.5 billion a year; and, wholesale market turnover of £4.1 billion a year.

The publication was launched on 23rd November in the presence of CLG Minister Rosie Winterton. Further to the report, CLG has agreed to establish a working group looking at ongoing issues affecting markets.

For more information: [www.bcsc.org.uk/Markets21](http://www.bcsc.org.uk/Markets21)

## QUICK LINKS

**BCSC website:** [www.bcsc.org.uk](http://www.bcsc.org.uk) the voice of retail property, with 2,900+ members - a forum for debate, networking and idea exchange

**BCSC Sustainability Charter:** [www.bcsc.org.uk/charter](http://www.bcsc.org.uk/charter) offering sustainability guidelines and good practice for the industry

**BCSC on Twitter:** <http://twitter.com/BCSCretailprop>

**BCSC on LinkedIn:** [www.bcsc.org.uk/linkedin](http://www.bcsc.org.uk/linkedin)