

**The Independent Retailers' Confederation Submission to:**

**Communities and Local Government  
Proposed Changes to Planning Policy Statement 6:  
Planning for Town Centres Consultation**

**October 2008**

**Independent Retailers' Confederation**

1. The Independent Retailers' Confederation (IRC) represents independent retail groups from a variety of sectors, providing a voice for retailers operating in an increasingly competitive marketplace. These shops and stalls are at the heart of both rural and inner urban life and form an essential part of local communities providing employment and meeting places as well as offering consumers choice, quality and service. Acting as a representative body for our member trade associations, the IRC works to create a high profile for small and independent retailers within both Government and Parliament.
2. The IRC represents over 100,000 independent retailers across the UK and the membership is united in seeking the creation of a level playing field for specialist retailers. The membership highlights the importance of planning, skills, regulation and crime to the retail sector.
3. The IRC believes that planning is vitally important to the future sustainability and diversity of the UK's town centres. Planning developments can leave independent retailers at a severe disadvantage, especially where there is a lack of understanding about the needs of smaller retailers. The IRC would like to see clarity in planning policy and decisions by Government which will protect the role smaller retailers play in delivering a vibrant community.

**Introduction**

4. The IRC welcomes the opportunity to present evidence to the Department for Communities and Local Government's Consultation on Proposed Changes to Planning Policy Statement 6: Planning for Town Centres (PPS6).
5. The IRC believes that the existence of small shops and independent retailers is fundamental to maintaining sustainable communities and that Government policy on planning is vital for the future sustainability of town centres. Unchecked out-of-town retail developments can destabilise and threaten future town centre investment and it is fundamentally important that diverse, accessible and competitive retailing is fostered through a strong planning regime that is based on town centre first principles.
6. The IRC believes that planning policy should be making a key contribution to achieving:
  - Distinctive and attractive town centres;
  - Strong and sustainable local economies;
  - Access to high quality shopping provision for those without or preferring not to use a car;

**Members Include:** ActSmart; Association of Convenience Stores; Guild of Fine Food; National Federation of Meat and Food Traders; National Federation of Retail Newsagents; National Market Traders Federation; Pet Care Trust; Rural Shops Alliance; Scottish Federation of Meat Traders

- A good choice of where to shop for everyone;
  - Avoiding overprovision of large scale retail businesses which damages the diversity of the retail offering in a community.
7. The IRC supports a 'town centre first' policy that ensures planning plays a key role in contributing to quality places where people want to live, work and conduct business, while also allowing for sustainable patterns of development. However, the IRC judges that this policy has not proved strong enough to halt the growth of out of town supermarkets and their damaging effects upon independent retailers.
  8. The wording of the Secretary of State's forward to the Consultation is encouraging and signals that the Government shares the IRC's concerns about the possible threat to town centres presented by unsustainable or badly planned development and the need for the policy to have a positive impact.
  9. The IRC agrees with the Secretary of State that the eighties and early nineties witnessed unchecked enthusiasm for large out-of-town shopping centres ultimately leading to erosion in the vitality of our town and city centres. The negative impact upon town centre investment was devastating in many areas of the country.
  10. The IRC welcomes the reversal in the trend of decline in town centre investment witnessed in recent years, but cautions that the optimism expressed here by the Secretary of State does not wholly reflect the current situation. It should be tempered by the knowledge that it has taken a generation to reverse the trend and even today the majority of new retail floor space is still built out-of-town. While there are indications of a current trend towards retail investment in town centres it is vitally important that care is taken to ensure that any changes to the planning regime do not result in a reversal of this.
  11. The IRC's considered views on the removal of the 'need' test and the new Impact Assessment Framework, as proposed by Government in a revised PPS6, are outlined below.

### **Removal of the Need Test**

12. The IRC is concerned that the Government is on the one hand professing a strong commitment to town centre first, while on the other seeking to remove an important component of planning policy, the need test, which has been vital to ensuring town centre investment. The IRC's consideration of the Government's stated reasons for removing the need test are set out in points 13 to 17 below.
13. While the Government judges that the need test can form a potential barrier to entry, the IRC considers this to be necessary part of the planning process vital to guard against unchecked out of town retail developments that compromise the sustainability and vitality of town centres.
14. The Government cites a perception of the need test as providing a preference towards incremental expansion of existing developments as a reason for proposing its removal. The IRC believes that this perception indicates a weakness in the decision making structure rather than the policy framework itself. Local Planning Authorities (LPAs) are already empowered to limit such incremental expansion through ensuring new developments adhere to the Local Development Plan (LDP) for the area.

15. Effective planning for town centres relies on LPAs making judgements which reflect local circumstances and the will of local people. Consequently, the role of the LDP in assessing future retail developments is of key importance.
16. The IRC believes that undertaking a rigorous data collection and analysis process is an essential part of the planning application process and disagrees with the implication in the Consultation that this could be avoided through removing the need test.
17. In view of these considerations, the IRC believes strongly that PPS6 will be weaker without need being considered an explicit criterion for assessing new retail development and that as a result future town centre investment will be threatened.

### **The new Impact Assessment Framework**

18. Notwithstanding the IRC's reservations about the removal of the need test, the IRC welcomes in principle the broadening of the new impact test, particularly the emphasis that is placed on consideration of the economic, social and environmental impacts of a development on town centres. In particular we welcome the emphasis on the impact of in-town trade/turnover and on retail diversity.
19. The IRC welcomes the retention of the test for scale of development in the new framework. New retail provision should be of a scale that is in keeping with existing centres.
20. In designing an LDP, it is vital to assess the capacity of the market and to develop a clear view of the future capacity required. This is also essential when assessing any unplanned for major retail development. The IRC remains unconvinced that the new impact assessment framework will be employed consistently and will be robust enough to support the decision making process at a local level.
21. Government policy must put sustainability and diversity at the heart of town centre planning considerations. The IRC's concerns about the proposed new impact assessment framework are outlined in points 22 to 27 below.
22. The IRC is concerned that the revised PPS6 does not clearly define what is meant by a 'positive' and a 'negative' impact, and as a result does not provide LPAs with robust enough guidance to be able to make such judgements effectively and consistently. A revised PPS6 must provide clear guidance on this to enable LPAs to evaluate the impacts of a proposed development.
23. While the IRC welcomes the emphasis placed on in-town trade/turnover in the new impact test, the policy does not clearly state what level of decline in trade/turnover would be acceptable in order for a planning application to be successful or unsuccessful. A revised PPS6 must provide clear guidance on this to enable LPAs to evaluate the impacts of a proposed development.
24. The IRC supports the use of the Development Plan to identify future retail development needs in the area. The IRC judges, however, that the new impact test is not robust enough in setting criteria for what is and is not a development that is consistent with the policy.

25. The IRC agrees with the Government's emphasis on the robustness of local plans in relieving concerns about its reform of development control guidance. In formulating an LDP an LPA should assess future retailing need and identify suitable locations for retail development. However, this aspiration is undermined by the fact that not all LPAs currently possess LDPs, nor do they all have LDPs which are up-to-date.
26. In addition, the Government's emphasis on the robustness of LDPs does not acknowledge the power and resources that large retailers can bring to bear upon the planning process when making applications for new developments. LPAs must be empowered to deal effectively with any legal challenges brought by developers against rejected planning applications.
27. In assessing impact the IRC recommends that the identity of the proposed occupier should be a planning consideration. For example, large supermarket chains are likely to have a greater impact on existing independent stores due to their greater buying power. It is important to note that even when planning applications for large out-of-town retail chains are rejected, these chains will often enter locally through using a smaller in-town store, competing with independent retailers who do not possess similar buying power.

#### **Consumer Choice and Retail Diversity**

28. The IRC believes that new retail developments should improve the choice available to shoppers and enhance the attractiveness and diversity of existing town centres to visitors. The IRC considers that by placing consumer choice and retail diversity together without clearly defining what is meant by each, the policy leaves significant scope for confusion.
29. It is the IRC's opinion that the issue of consumer choice can be dealt with through a separate 'competition test' as recommended by the Competition Commission in its final report on the UK Grocery Market published in April 2008.
30. It should be borne in mind that competition considered alone can encourage the proliferation of similar stores in one area without necessarily maintaining *diversity* of stores in a given town. A narrow definition of 'choice', such as that between different supermarkets, for example, cannot sensibly be considered as representing consumer choice in a meaningful sense: a diversity of offerings for consumers is essential.
31. Consequently, the IRC welcomes the consideration of 'retail diversity', where there is a mix of ownership types, formats and product offerings, but this needs to be more explicitly defined either within the policy itself or as part of a separate exercise so that the concept does not remain open to misinterpretation.
32. Practical guidance for LPAs on what constitutes retail diversity is lacking from the proposals included in the Consultation, and is needed to safeguard against the application of the narrow definition of choice described above.

## Conclusion

33. Unchecked out-of-town retail development seriously threatens independent retailers which provide character and encourage footfall into the UK's town centres. A robust and effective PPS6 is vital to ensuring their continued survival and is crucial for maintaining future town centre investment, sustainability and diversity.
34. The IRC remains unconvinced about the Government's reasons for removing the need test as proposed in the Consultation. The case for removing the need test is theoretical and inconsistent with the stated objective of the policy. For example, LPAs already have the power to limit incremental expansion of existing developments through a rigorous LDP.
35. The IRC welcomes in principle several elements of the Impact Assessment Framework, particularly with respect to the consideration of in town trade/turnover. However, the IRC struggles to see how the new impact test can be effectively applied by LPAs given that it does not clearly define positive and negative impacts of new retail developments, and does not deem what would be an unacceptable impact upon in town trade/turnover.
36. In addition, the IRC recommends that the identity of a proposed developer should be taken into account by LPAs when considering a planning application in order to recognise the greater buying power of larger retailers.
37. The IRC welcomes the consideration of retail diversity within the new impact test but cautions that as practical guidance on how this concept should be applied by LPAs is lacking, this inclusion is rendered somewhat redundant.
38. The IRC welcomes the opportunity to submit evidence to this consultation and is available to provide supplementary oral or written evidence if required.

## E- Signed on behalf of Independent Retailers Confederation:

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