

Planning Manifesto for High Streets and Town Centres

January 2020



Introduction

The issues currently affecting the retail sector are well documented. There have been extensive headlines about rising vacancy rates and declining footfall across the UK and it is true that London's high streets and town centres are undergoing fundamental transformation. Changing shopping patterns, notably but not only the growth of online retail, mean retail will look different: it will be experience-led and many retailers are getting on with essential restructuring and building in flexibility to their offer. The Greater London Authority's (GLA) High Streets for All Report (LSE for the Mayor of London, 2017) concluded that, "High streets are facing changes and a range of challenges, which can threaten the value they offer to Londoners...Tackling these issues will be key to ensuring that London's streets thrive, and maximise their social value."

This manifesto focuses on planning and development issues affecting high streets and town centres, which in many respects risk stifling positive transformation. Planning flexibility is key in order that the planning system can support change across the broad spectrum of high streets and town centres in London. Those that succeed will likely be more compact, with a broader mix of offers including leisure, experiential retail and public services. Ensuring they remain vibrant, and diverse, will be a critical issue to help maintain London's reputation as a great place to live.

This project has been London focused, with an eye towards the forthcoming Mayoral election. But a lot of the issues raised here will be relevant to high streets and town centres across the UK and many of our recommendations could be taken forward locally by the GLA or nationally by central government. Many of the key asks are inter-related and, collectively, we hope would reduce vacancy rates, enable retailers more flexibility to be creative, help overcome under-investment and fragmented ownership, and ensure a more holistic approach to town centre management.

London First has engaged with a broad range of its members in the retail, planning and development sectors, alongside key stakeholders. We've explored a range of planning, licensing and place-making issues, including managing mixed use, meanwhile use, redefining town centre boundaries, flexibility and reforming the Use Classes Order, fragmented ownership and Compulsory Purchase Orders, and licensing. The result is this manifesto of eight key asks to support positive high street and town centre transformation.

London First's Planning Manifesto for High Streets and Town Centres

1. Every town centre should adopt a positive vision for town centre management that draws together planning, licensing and regeneration

Town centres need a management strategy (a TCMS) which is visionary and enabling, supported by an effective delivery plan. Masterplans have been used extensively in the past, but they tend to fail because they are too prescriptive, take too long to consult on and adopt as policy, and are not flexible enough to react/adapt to changing markets. They also tend to focus on vision and are less action oriented. Instead, the focus should be on town centre management as the most effective tool for placemaking and shaping how a place is used in the long term.

Where Business Improvement Districts (BIDs) exist, they are well placed to lead on a TCMS. They provide the framework to bring together local businesses with other local stakeholders and they have proven to be very effective at providing leadership and delivering this type of vision. However, a TCMS could also be led by the relevant local authority or another private sector alternative such as a Business Crime Partnership or Town Centre Forum.

Regardless of who leads the TCMS, it is vital that it is used to leverage private sector investment and expertise from local businesses and national retailers, whilst drawing together the numerous different council departments that are involved in town centre management, including development management, planning policy, licensing, regeneration, waste and recycling, street maintenance, environmental health and community safety. Ideally both Officers and Members of the local authority should be involved. Neighbourhood Planning Forums could also collaborate where they exist.

In particular, a TCMS could help overcome the disparity that often exists between the planning and licensing regimes, which in some authorities are in silos and poorly coordinated. It will at least identify and make explicit tensions and contradictions. It should also help align planning and licensing with regeneration: it is the boroughs in which these three disciplines work closely and collaboratively that we see the most successful improvement of high streets and town centres.

A TCMS will need to strike the right local balance between economic growth, social benefit and residential amenity. Each one will be bespoke to its locality, however a TCMS should consider the following as part of its delivery programme:

- identifying a dedicated Town Centre Manager (or potentially a district-wide High Streets Manager) and core staff resource;
- area-wide licensing frameworks with zones that have clear expectations for hours of operation, servicing, and so on to ensure consistency between planning conditions and licenses and manage operator expectations;
- zones for Article 4 Directions to prevent Permitted Development Rights being exercised where the ad hoc change of use to residential risks harming a town centre;

- designating international shopping centres where it may be appropriate to lobby for extended Sunday trading hours;
- strategies for minimising vacancy rates and supporting start-ups and short-term lets;
- diversifying land uses and activities;
- community engagement;
- advice on improvements to shopfronts and the public realm; and
- strategies for street cleansing and antisocial behaviour.

The GLA should work to ensure a TCMS is in place for every town centre in London, led either by the local BID/alternative private sector agency or the relevant borough.

2. Reform of the Use Classes Order to provide greater flexibility for town centre uses

Although there have been attempts to tinker with it over recent years, the current Town and Country Planning (Use Classes) Order essentially dates back to 1987. It is difficult for legislation to stay ahead of the curve and remain fit for purpose, particularly given the societal trends and changes in technology that have impacted on the high street. Internet cafes are a good example of a use that, since 1987, have come from nowhere, then proliferated across every high street and have now disappeared.

In our rapidly changing retail sector, where experiential retail often cuts across a number of traditional use classes and there is less emphasis on the physical sale of goods, it should no longer be necessary to categorise specifically between different retail activities. Specific uses that might potentially be harmful to residential amenity could be excluded, but ultimately planning conditions (including personal planning permissions) and licensing can be used to protect residential amenity where necessary including restrictions on hours of operation and servicing, and technical details such as ventilation.

Despite these significant trends, planning policies in many local plans are still fixated on protecting traditional A1 retail frontages. For high streets and town centres to remain healthy and vibrant, the Government and the GLA need to give direction in national and regional strategic policy that it is acceptable for high streets to be less dependent on retail and have a greater diversity of uses. Flexibility should be encouraged.

Pivotal to such planning flexibility is a radical overhaul of the Use Classes Order so that it is no longer necessary to seek planning permission to change from one town centre use to another. There should be a 'catch all' use class for town centre uses including retail, business, leisure, cultural and community uses in the current use classes of A1-A5, B1, D1, D2 and sui generis (e.g. nail bars). The objective for this new class of town centre uses should be activities that create incremental footfall throughout the day/night, rather than the type of frontage they have or the type of goods or service that are available. It should not be the purpose of the Use Classes Order to protect residential amenity; instead more effective use of the licensing regime

and planning conditions can achieve this in parallel with the roll out of Town Centre Management Strategies.

This new approach would be more responsive to the market. It would allow tenants to switch in a much more agile way, without the need to apply for planning permission each time. It would be particularly beneficial in supporting short-term lets and meanwhile use activities, as it can often take longer to get a temporary permission for a pop-up use than the pop-up intends to be operational. This enhanced flexibility for town centre uses would make better use of economic opportunity and keep our high streets vibrant.

3. Set up Meanwhile Use Registers for start-ups, SMEs, arts organisations and community groups looking for short term lets

The term 'meanwhile use' refers to the short-term use of temporarily empty buildings, such as shops, until they can be brought back into commercial use or they are demolished for redevelopment. The value of temporary uses has been recognised across the property industry as a way to quickly bring life and activity to an area before permanent development begins. Finding alternative uses for vacant and underutilised sites can also be a great way to test innovative and exciting consumer offers and to experiment with a place's brand identity. There are lots of potential short-term tenants in London and lots of local authorities trying to bring forward space, however supply and demand are struggling to marry up.

Registers should be set up, and maintained, comprising tenants looking for space with as broad a range as practicable of town centre uses, rent expectations and length of occupancy. In London, this should be managed by the GLA or, where strategic authorities do not exist, it would be the responsibility of the relevant local authority. BIDs could potentially assist with setting up and maintaining registers, however an administrative area is considered to be the most appropriate scale for a register to cover.

Meanwhile Use Registers would provide an easy 'one stop shop' for landlords who have vacant space and therefore would reduce overall vacancy levels. Having a register in place would also encourage local authorities to make better use of their own assets. As lots of authorities are making increased use of Geographic Information System (GIS) mapping, there may be scope to use GIS to collect and map data on vacant units.

4. Use of Planning Conditions to request a Vacant Unit Management Strategy

The presence of vacant units on a high street, or in a town centre, can lead to a spiral of decline. The quality of the streetscape will likely deteriorate and consumer confidence will weaken. Consumer choice will also diminish, especially for those groups who are reliant on local facilities. The presence of vacant properties can deter landowners and developers from investing in improvements to existing properties or creating new retail space. Longer term, if

vacancies continue to rise, this can create unsafe areas which have a wider impact upon their surrounding communities.

Some local planning authorities have started to require a Vacant Unit Management Strategy (VUMS) for larger mixed-use schemes as part of the discharge of conditions process. This is an effective tool in reducing medium and long terms vacancy levels.

As part of the VUMS, in the event that a unit becomes vacant, the applicant should commit to dress the shop frontage within an agreed timeframe if no replacement tenant is secured. Furthermore, within an agreed timeframe the applicant should commit to make the unit available for short-term pop-ups on a monthly basis and use reasonable endeavours to secure tenant(s) whilst searching for a long-term tenant. Accessibility to the local meanwhile register in (3) above will facilitate this quickly and easily.

VUMSs should be rolled out as standard practice, as a condition of all planning permissions creating new commercial units, including any new development and change of use applications.

5. Borough access to the GLA's Compulsory Purchase Order and land assembly expertise

In the past, Compulsory Purchase Orders (CPOs) have been used on many large-scale, town centre redevelopment schemes where fragmented ownership was an obstacle to regeneration and securing substantial public benefits. Large-scale CPOs are less commonplace now and CPOs tend to be smaller, so the justification for a local authority to invest in an in-house team is greatly reduced. As a result, today some boroughs have in-house CPO experts, whilst others do not.

It is generally accepted that boroughs struggle to facilitate CPOs, even where there is an overwhelming public interest, and a key obstacle is lack of knowledge. When dealing with a CPO situation, a borough needs a strong team with technical expertise and also good people skills. Rather than each borough investing in a CPO team 'just in case', it would be a more effective use of public funds in London for the GLA to provide CPO expertise that the boroughs can call on when required.

In London First's 'Homes for Londoners' report (2016), we called for "a one-stop-shop of the skills and resources needed to get more public land into development", including "a centralised competency for CPO powers". A subsequent report produced for the GLA entitled 'Capital Gains: A better land assembly model for London' (URBED, 2019) also included a recommendation to "Create a multi-disciplinary team to support the boroughs and developers in tackling strategic and difficult sites" and this was followed through in the Mayor's Housing Strategy. The GLA, in collaboration with TfL, is in the process of establishing a land assembly group with CPO expertise, however this is wholly focused on housing delivery. We continue to support this idea, but the GLA's land assembly group should broaden its remit beyond housebuilding to provide a range of CPO expertise for boroughs to draw on when required for high street and town centre regeneration.

6. Introduce Compulsory Selling Orders as an alternative to Compulsory Purchase Orders

CPOs can be complex, lengthy, costly and highly political. They are only used in exceptional cases where there is compelling public interest to do so. Yet, at a time when some boroughs are having to proactively plan for the long term to reposition and strengthen their high streets and town centres, fragmented ownership (both vertically within a building as well as plot by plot) can be a barrier to instigating change.

The Scottish Government is looking to introduce a new power, which would allow local authorities to sell abandoned buildings or plots of land to the highest bidder. We consider that the concept of a Compulsory Selling Order (CSO) should also be explored in England to help local authorities address the numerous vacant properties across London after they have been vacant for a set period of time.

CSOs could also potentially have a wider remit as an alternative to CPOs. For example, CSOs could potentially be used to bring forward to the market several units under separate ownership in order to facilitate comprehensive regeneration. The attractiveness of a CSO over a CPO in this situation is that a CSO would be a simpler, lighter touch market intervention and therefore less political.

Furthermore, the local authority takes on less risk and does not need to have a development partner on board (as is generally required for a CPO). Instead, it is assisting the private sector with land assembly and encouraging private-sector led regeneration. To protect the landowner's interest, the existing use value (with no hope value included) would need to be agreed with the District Valuer Service, the specialist property arm of the Valuation Office Agency, and specified as the minimum sales price. It would be for the market to deliver any realistic hope value when the property is sold.

Introducing CSOs would require primary legislation from central government, however once in place it would be a much simpler, quicker and cheaper way to approach land assembly and regeneration. Similarly to CPOs, it would be imperative to demonstrate a compelling case of public interest for a CSO to be granted.

7. Investment Orders to encourage landowners to repair and maintain neglected properties

Long-standing vacant and derelict properties can blight high streets and town centres and instigate a spiral of decline. Where they exist, and they are hindering strategic objectives, targeted intervention and piecemeal improvements should be encouraged.

A Listed Building Repairs Notice can be used to force a landowner that has deliberately neglected a listed building to carry out essential maintenance works. Consideration should be given to rolling out this principle to encourage landowners to invest in non-listed buildings where it is proven to be in the wider public interest. An Investment Order could be the first stage of the process before moving on to a CSO or CPO.

8. Review planning policy's town centre hierarchy

Spatial Development Strategies and Local Plans set out a hierarchy of town centres including international centres, metropolitan centres, town centres, district centres and local parades.

There has been an assumption for many years that upgrading a centre's status is an indication of economic growth and success. It is useful to some extent for planners to understand a centre's functional role and the catchment it is serving in order to devise planning policy and take planning decisions. However, only international centres seem to benefit significantly from their designation, by using their status to lobby for unique trading conditions such as extended Sunday trading hours. The Draft New London Plan only identifies those centres which should aim to be upgraded - but is this realistic given rising vacancy rates and increased peppercotting of new homes that risk further diluting the vibrancy and economic success of straggling high streets and disparate town centres.