Proposed review of the future of London’s town centres
Planning Committee

Background

The Mayor believes that London’s town centres should be the focus for commercial development and intensification, including residential development, provide a competitive choice of goods and services, be conveniently accessible and maintain a sense of place.

However, London’s town centres face an uncertain future and the drivers behind town centre change are complex. While supermarkets and out-of-town shopping centres have certainly affected town centres and high streets, a multitude of other factors are also having an influence. These include: economy, changing lifestyles and demographics, technological advancement, and the rise of highly effective convenience-led retailing¹ as well as competition between centres. The marketing consultants at Experian summarise the impact of these trends: “Together these factors have irrevocably changed the way we shop, socialise, and live. To paraphrase Mary Portas - our town centres have so far simply failed to adapt”.²

The Local Government Association believes “This is a critical time for town centres; we need to completely rethink how all services engage in the high street as the centres of social and economic activity”.³ The Association suggests that local and central Government may have to collectively consider and remove the structural barriers that prevent town centres from adapting to economic and social change and that more powers should be given to communities to reshape and revitalise services in their town centres.

The Assembly’s Planning Committee wants to explore the future role of London’s town centres⁴: Can they remain centres for retail and employment in light of the rise of supermarkets, internet sales and growth in ‘m-commerce’⁵ which provide robust competition to the traditional high street offer? Or could town centre locations be more successful in focussing on culture, entertainment and services? Or do policy makers, planners and businesses have to fundamentally re-evaluate the purpose and appearance of London’s town centres?

While the London Assembly Economy Committee’s ‘Empty Shops’ investigation⁶ focuses on short term strategies to bring

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¹ Convenience goods are widely distributed and relatively inexpensive goods which are purchased frequently and with minimum of effort, such as petrol, newspapers, and most grocery items
http://www.businessdictionary.com/
² Experian (2012): Town Centre Futures 2020 White Paper
³ LGA (2012): Alternative high street. Rethinking the town centre challenge
⁴ For the purpose of this review the term “town centres” excludes neighbourhood centres and parades of shops as these are sub-centres which serve the same areas which are also served by a larger more recognisable town centre
⁵ Mobile commerce consists of two primary components. The first is the ability to use a wireless phone or other mobile device to conduct financial transactions and exchange payments over the Internet. The second is the ability to deliver information that can facilitate a transaction
⁶ http://www.london.gov.uk/who-runs-london/the-london-assembly/assembly_investigation/empty-shops
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vacant shops into use and boost London’s high streets, the Planning Committee’s review seeks to establish a long-term vision for the role of town centres and ways of using planning policy to implement the objectives identified.

Purpose of the review

The Committee is considering a review with the following proposed terms of reference:

• to explore the future role of town centres in London with an emphasis on the potential range of forms and functions;

• to inform the Committee’s response to the Mayor’s Draft Supplementary Planning Guidance for town centres; and

• to highlight any important issues for consideration in other areas outside the remit of the SPG

Issues for consideration

The Outer London Commission recently found that Londoners seem to love their town centres, but may not really use them to their fullest potential. Town centres are changing and they face challenges - in the uniquely high density environment of London, it is particularly important for the planning system to develop their strengths and address these issues. In view of the challenges town centres face, it is particularly important that they diversify their offer and become less dependent on retailing.7

The Committee’s review should consider a number of aspects that are relevant to assess the future of London’s town centres:

• The future impact of trends and challenges on town centre performance and regeneration
• Retail, technology and customer behaviour
• Infrastructure, transport, parking and employment
• Sustainable development and green spaces
• Investment, marketing and management
• Competing land uses (eg housing, commercial or social)
• Planning policy, strategy and Use Class issues
• Actors of change including the Mayor of London

Key issues in these areas highlighted by recent reports and initiatives are set out at Appendix 1.

The Role of the Mayor

The Mayor has two main ways of supporting and shaping London’s town centres – through planning policy and through funding measures.

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London’s town centres are a key spatial priority of the London Plan, providing access to a range of services and enabling all parts of London to make a greater contribution to London’s economic success. A number of policies in the London Plan address town centres, namely Policy 2.15 (Town Centres) and Policy 4.7 (Retail and Town Centre Development).

The Mayors proposed Supplementary Planning Guidance (SPG) on town centres is understood to be subject to consultation later in 2012 or in early 2013. While the SPG cannot introduce new policy it can provide guidance on how to implement existing policy. The SPG is expected to cover a range of matters, and may include the following key areas:

- Considering town centres as the best location for development and growth of a range of land uses besides retail (commercial, residential, services etc)
- Improving local service provision (leisure, arts, cultural, consumer and public services)
- Recognising the importance of accessibility, walkability and the lifetime neighbourhoods approach in town centres
- Identifying ways to strengthen and develop town centres to respond to changing circumstances and demands

A conventional policy guidance approach might not sufficiently address the complex changes London’s town centres are experiencing. The Committee is concerned that the forthcoming Mayoral SPG should be based on a wide-ranging assessment of the future role, form and function of town centres.

In terms of financial support, the Mayor of London has in 2011 announced a number of funds to boost regeneration and rejuvenate town centres including the capital’s town centres and high streets damaged by the August 2011 disturbances.

Data and information

During the investigation the Committee will seek to establish answers to the following questions:

- What new ideas and existing best practise could help re-imagine and develop London’s high streets and town centres of the future?
- How can town centres compete in the new age of consumerism and succeed alongside out-of-town retail? Do they need a greater emphasis of providing services for local communities?
- How can town centres become more accessible and increase footfall to local shops? What is the role of innovative transport and parking schemes in this respect?
- What strategies for regeneration of town centres and high streets would best encourage growth and prosperity in a

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*A Lifetime Neighbourhood is accessible and inclusive, aesthetically pleasing and safe (in terms of both traffic and crime); offers plenty of services, facilities and open space and has a strong local identity and sense of place (Communities and Local Government, 2007)*
time of austerity? How can they unlock the potential of key development sites in town centres including publicly owned land and properties?

- How effective are existing planning policies to promote the vitality and viability of town centres? How can Londoners be encouraged to live in and populate town centres?
- What are the powers and mechanisms available to local planning authorities to revitalise their town centres and stimulate development activity?
- How can Mayoral planning policy, the London Plan and the emerging Town Centres supplementary planning guidance (SPG), best support town centres?

**Methodology**

To explore the future of London’s town centres, calls for written views and information would be made and two meetings would be held in December and January.

On 11 December the Committee will seek to identify possible future scenarios for town centres in London - through a debate with a number of guests from a variety of backgrounds it will assess what the future holds for town centres and radically question this future. Experts will be asked to compare the past role of town centres with current trends and issues and consider a fundamental re-evaluation of the purpose and appearance of London’s town centres while challenging the current, more conventional planning policy approaches.

On 15 January 2013 the Committee will consider and “test” the future approaches identified at the December meeting and discuss with policy makers planning practitioners and other guests how to realise those through planning policy and other means. It will have a closer look at how the Mayor’s emerging planning policy guidance on town centres could help achieve this and consider examples of successful town centres both in London and elsewhere.

**Timeline for the review**

- Autumn 2012 – information gathering and background research
- w/c 19 November – call for written responses
- 11 December 2012 – Planning Committee meeting “Future of London’s town centres”
- 15 January 2013 – Planning Committee meeting “Implementation – policy and practice”
- Tbc (depending on SPG publication date) – agreement of consultation response to Town Centres SPG

Possible guests for the upcoming Committee meetings are set out below:
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Stakeholders

Planning Committee 11 December 2012 – “Vision for London’s town centres”:
- Architecture/Planning/Design
- Retail
- Academic/Think Tank
- Marketing/Investment
- Outer London

Planning Committee 15 January 2013 – “Implementing the vision – policy and practice”:
- London Borough
- Planner/Practitioner
- TC management/BIDS/Businesses
- Infrastructure, informal work spaces

Wider stakeholders for written views:
- Boroughs
- Developers and landowners
- Private sector stakeholders from the following areas:
  - Planning and architecture
  - Marketing and finance

- Retail and shopping
- Voluntary and community sector
- Academics and Think Tanks
- Mayor/ GLA Planning

How to contribute to the investigation

The Planning Committee welcomes written views and information to inform its review. Written submissions should aim to address some or all of the above questions.

Please send written submissions to Alexandra Beer, London Assembly, City Hall, The Queen’s Walk, London SE1 2AA, or email: alexandra.beer@london.gov.uk

The Committee would welcome receiving written submissions by 10 January.

About the Planning Committee

The Planning Committee examines and report on the strategies, policies and actions of the Mayor and the Functional Bodies as well as matters of importance to Greater London, as they relate to spatial development and planning matters in London, in particular the Mayor’s Spatial Development Strategy (‘The London Plan’).

The membership of the Planning Committee and details of its work are available on its website.
Appendix 1

The future impact of trends and challenges on performance and regeneration

The Association of Town Centre Management (ATCM) proposes in its Manifesto how government, local authorities, individuals and businesses can generate a new belief in the future of town and city centres across the UK. It sets out that a town or city centre should offer its own diverse and distinctive environment, with a strong sense of place; be easily accessible, clean and safe; have its own unique identity; and have professional and active management. The ATCM believes that “for all this to happen, stakeholders and organisations need to come together rather than fight for recession-squeezed resources”.

According to GVA’s recent research on the future shape of the capital, the greatest market change over the next 10 years is likely to be found around the edges of central London and at new transport hubs with the area of greatest change likely to be south of the river – inner Southwark including Bankside and Bermondsey in particular and Nine Elms/ Battersea further west in Wandsworth. Demand in all sectors will remain strong in the central boroughs that have a track record of attracting large commercial or residential investment, and continued development will be seen in the City Fringe East and the West of London.

Retail, technology and customer behaviour

Approximately 15,000 shops in town centres in the UK closed between 2000 and 2009, with a further 10,000 losses in the past few years. After years of neglect, deterioration and poor management our high streets and town centres have reached a stage where many are concerned towns and communities will lose the real social and economic benefits provided by town centres for centuries.

Declining consumer confidence and disposable income will undoubtedly have impacted the vitality and viability of town centre operators. While the retail landscape has changed to meets the needs of modern life, the problem lies with town centres themselves – they have failed to offer a reasonable alternative to the competition.

Prime city centre developments such as Westfield London have set a new standard in retail offer, raising consumers’ expectations of the range of products on offer, convenience, cleanliness and security. In comparison the traditional high street environment is harder to manage, with a multiplicity of

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9 ATCM (2012): A Manifesto for Town Centres and High Streets


11 BIS (2011): Understanding High Street Performance
owners and occupiers, exposure to bad weather and the potential for antisocial behaviour.¹²

Infrastructure, parking and employment

Infrastructure schemes such as Crossrail promise the opportunity to reinvigorate town centres through intensification and growth in addition to the advantage of much faster links to the West End and Heathrow. Stratford City close to the Olympic Park has already benefited by the opening of Europe’s largest urban shopping centre while increased densities around the transport hub seek to encourage a greater mix of uses. The Thames Gateway Transport Partnership anticipates that the same dynamic, albeit on a different scale, will also apply to the other town centres with Crossrail locations.¹³

Mary Portas in her review of the high streets, recommends that town centres should implement free controlled parking schemes and generally make town centre shopping more welcome to motorists. Particularly less accessible town centres, like those in less densely populated outer London boroughs with a higher level of car ownership compared to inner London, are at a significant disadvantage compared to out of town retail sites in terms of parking. Statistically, the average number of cars per household rises as public transport accessibility decreases.¹⁴

Large numbers of jobs in London are concentrated in a few areas: Central London, Croydon, Heathrow and the Isle of Dogs. The types of jobs located in Central London and the Isle of Dogs are different from those in other London centres, with a high concentration of specialised, high-value jobs. There are 11 Metropolitan Town Centres in London, all in Outer London, which are small local centres of employment, usually containing a mixture of office-based and consumer service jobs targeting the local community. The retail and public sectors play a much larger role in town centres than in the major employment centres.¹⁵ Sixty per cent of Londoners live and over 40 per cent of London’s jobs are located in outer London’s town centres and neighbourhoods.¹⁶

A major study by the marketing consultancy Experian estimates that by 2020, 40% of town centres in London will be in areas of high growth in economic output and 89% of town centres in London will be in areas of high expected workforce growth.¹⁷ At the same time, only 31% of London town centres

¹² BIS (2011): Understanding High Street Performance
¹³ East and South East London Transport Partnership (ESELPT) 2012 http://www.esel.org.uk/
¹⁶ Mayor of London (2011): The London Plan
Currently fall within areas of high ‘place resilience’\textsuperscript{18}, which considers indicators such as crime rate and housing affordability. This suggests that town centre locations are not sufficiently attracting a growing expenditure and that more factors impact on town centre performance than just the state of the economy.

\textbf{Investment, marketing and management}

With limited or no town centre management, many centres are at a relative competitive disadvantage against tightly controlled shopping centres, out of town retail parks, and supermarkets. Promotion, marketing and branding are ways of distinguishing a particular centre or high street from the ‘shopping centre experience’. An increasing number of high streets are creating their own online brands and programme of marketing events, for example, the Crouch End Project or Brentford High Street.

While Business Improvement Districts (BIDs) are typically used to fund extra ‘clean, green and safe’ work, for example wardens, they could also be used to support capital projects, for example to improve a town centre gateway or transport interchanges.

\textit{“In the end it is money that will make all the difference”} – the properties in major and metropolitan centres are largely owned by investors, whose primary concern is maximising their returns, and in many cases will have been sold to investors who are predominantly interested in the short-term income. Already in 2004 Consultancy DTZ’s Shopping Centre Commentary revealed that while retail is generally the safest form of property investment, it has not been performing particularly well.\textsuperscript{19}

\textbf{Planning policy, strategy and Use Class issues}

Current Government policy guidance encourages a sequential approach to selecting sites to focus new development within, or failing that on well located sites on the edge of existing defined centres. Only if such sites are not available will out of centre locations be likely to be appropriate in policy terms. National policy also requires an impact test to be applied in respect to all main town centre uses, particularly retail and leisure/entertainment proposals, to measure and where possible quantify the impacts on the vitality and viability of existing centres such as a reduction in footfall, increase of vacancies etc.

A study by the London School of Economics suggests restrictive planning policies have reduced retail productivity by 20\%. Overall the Town Centre First Policy (National Planning Policy Framework) has been accused of failing to promote vibrant town centres.\textsuperscript{20} Research undertaken for the British

\textsuperscript{18} Experian’s Place Resilience scores consider indicators such as crime rate and housing affordability amongst other factors

\textsuperscript{19} NLSA & WLA (2008): Over the Edge? Town centres and the London economy

\textsuperscript{20} House of Commons Library, Town centres, planning and supermarkets, SN/SC/1106, in: Experian (2012): Town Centre Futures 2020 White Paper
Council of Shopping Centres supports this finding and concludes that, despite the Government’s Town Centre First Policy\(^{21}\), the bulk of private investment continues to be out of town and out of centre.\(^{22}\)

At a local level, planning authorities in their local plan or local development frameworks can define a vision for their town centres to provide the context for site allocations and detailed planning policies. They can also set localised thresholds at which the impact assessments required by the NPPF will apply. Furthermore they can define the extent and make up of town centres and retail frontages through policy, for example set out the approach to change of use from retail to other uses. Lastly, where there are potential development sites in town centres, local authorities can set out key principles or development, for example in a town centre action plan or a master plan.

**Actors of change including the Mayor of London**

Councils’ responsibilities for town centres are divided into three main categories – planning, licensing and wider strategic issues such as economic development and regeneration, community safety, health, education and other policy areas.

The Mayor has two main ways of supporting and shaping London’s town centres – through planning policy and through funding measures.

**The London Plan**

London’s town centres are a key spatial priority of the London Plan, providing access to a range of services and enabling all parts of London to make a greater contribution to London’s economic success. A number of policies in the London Plan address town centres, namely Policy 2.15 (Town Centres) and Policy 4.7 (Retail and Town Centre Development).

Policy 2.15 sets out that London’s town centres should be the foci for commercial development and intensification, including residential development and provide a competitive choice of goods and services, be conveniently accessible and maintain a sense of place and that this should be reflected in planning decisions and LDF policies. Declining centres should be managed proactively while seeking to focus a wider range of services, promoting diversification, and improving environmental quality, for example by creating town centre management, partnerships and strategies including business improvement districts.

Policy 4.7 encourages a strong, partnership approach to assessing need and bringing forward capacity for retail, commercial, culture and leisure development in town centres. The scale of retail, commercial, culture and leisure development should be related to the size, role and function of a town centre.
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centre and its catchment. Such development proposals should be prioritised on sites within town centres before any other locations. The boroughs’ LDFs should undertake regular town centre health checks to inform strategic and local policy and implementation, resist inappropriate out of centre development and manage existing out of centre retail and leisure development in line with the Government’s sequential approach.

Supplementary Planning Guidance

The Mayor’s proposed town centres SPG is understood to be subject to consultation later in 2012 or in early 2013. While the SPG cannot introduce new policy it can provide guidance on how to implement existing policy.

The Outer London Commission in its second report suggest that this SPG should, for example, explain why town centres are so important to London, highlighting that they are accessible, walkable and inclusive; the focus for a wide range of service/ activities, not just shops; and can accommodate higher density housing, especially where complementing adjacent lower density suburbs.

Funding

In March 2011 the Mayor of London announced a £50m fund to boost regeneration and rejuvenate town centres through supporting the establishment of local businesses districts, and the improvement of retail, leisure, culture and arts provision. The Mayor wants to revitalise projects or get new schemes off the ground to bring vibrancy back into communities, providing more secure futures for those who live and work locally and above all improving the quality of life of many. The money would also help stimulate economic growth particularly in London’s vital network of outer London town centres, targeting those boroughs which benefit less directly from the 2012 Games and Crossrail opportunities.

In 2011 the Mayor of London Boris Johnson also announced a further £50 million fund to help make major long term improvements to the capital’s town centres and high streets damaged by the August 2011 disturbances. The regeneration proposals will be developed with communities and councils and will seek to ensure that contracts awarded for the work go to as many local businesses and employ as many local people as possible. This will also include offering apprenticeships to unemployed people in the affected areas to give them vital skills to move into work.