

M90. Is the approach to development management set out in policies SD6, SD7, SD8, SD9 and E9BA justified and consistent with national policy and would it be effective in terms of:

a) ensuring that identified needs for all forms of main town centre uses, including bulky goods, are accommodated in appropriate locations in accordance with national policy?

90.1 Yes. The 2012 NPPF requires plans to set out positive policies that promote competitive town centre environments¹ and plan for the management and growth of town centres. For development proposals outside of existing town centres, paragraph 24 sets out requirements for the application of a sequential test, requiring applications for main town centre uses to be located in town centres, then in edge of centre locations, and only if suitable sites are not available to consider out of centre sites.² Paragraph 26 of the NPPF requires an impact assessment for retail, leisure and office development of greater than 2,500 sqm.³

90.2 Policy SD7 of the draft Plan requires development proposals to take a ‘town centres first’ approach by applying the sequential test to applications for main town centre uses. Policy SD7 A2 identifies that limited exceptions may be made for proposals for office development in existing viable office locations in outer London, in accordance with Policy E1 Offices. Taking this approach is important in ensuring the vitality and viability of London’s town centres. Focussing development for main town centre uses toward town centres helps to ensure that these locations contain a diverse and complementary mix of uses that support town centre economies and helps to drive agglomeration benefits. This approach is also reflected in Policy SD6 A5, which seeks to ensure that town centres are the primary locations for commercial activity beyond the Central Activity Zone (CAZ). The ‘town centres first’ approach also helps to promote sustainable modes of travel which is essential in helping to achieve the 80 per cent modal share target and to ensure that Londoners can access goods and services in a sustainable manner.

90.3 Policy SD8 sets out a network and hierarchy of town centres for London. Policy SD7 C1 seeks to complement London’s town centre network by requiring development proposals to ensure that commercial floorspace relates to the size, role and function of a town centre and its catchment. This approach ensures that development proposals do not undermine the wider functioning of the network by creating a town centre that would significantly draw trade away from other nearby centres in the network, affecting their function and reducing the range of goods and services that people near to those centres can sustainably and conveniently access.

90.4 Policy E9 BA3 sets out that development proposals should bring forward capacity for additional comparison goods retailing, particularly in International, Metropolitan and Major Centres. This reflects the position of these centres in

¹ NLP/GD/03: DCLG, National Planning Policy Framework (NPPF) March 2012, paragraph 23

² NLP/GD/03: DCLG, NPPF 2012, paragraph 24

³ NLP/GD/03: DCLG, NPPF 2012, paragraph 26

London's town centre hierarchy and complements their role as centres where a broad retail offer is important to their individual sustainability and to the contribution they make to the wider London economy. This approach is supported by the findings of the Consumer Expenditure and Comparison Goods Floorspace Need in London study, which identified increasing polarisation of comparison goods retail demand toward the larger and more attractive centres.⁴ Policy E9 BA4 supports convenience retail in all town centres, and particularly District, Local and Neighbourhood Centres, reflecting the function these centres play in meeting the day-to-day needs of local residents.

- 90.5 Paragraph 23 of the 2012 NPPF requires local planning authorities to define the extent of town centres, to allocate a range of suitable sites to meet the scale and type of development needed in town centres, to allocate appropriate edge of centre sites, and to set policies for meeting identified needs in other accessible locations.⁵ Site allocations can only be undertaken at the local level by boroughs. Different town centres will require different approaches to site allocation, depending on site availability, the accessibility of edge- and out-of-centre sites to town centres, site availability, demand, character, and other factors. The accommodation of identified needs for main town centre uses (including bulky goods) through site allocations or specific policies for meeting these needs in other accessible locations will therefore be a matter for boroughs, depending on their specific circumstances and taking into account the strategic requirements set out in the draft Plan, including the growth indicators and other classifications of individual town centres set out in Annex 1 of the draft Plan.
- b) requiring large scale commercial development (over 2,500sqm of A Use Class floorspace) to support the provision of small shops and other commercial units (including "affordable units" where there is evidence of local need);**
- 90.6 The 2012 NPPF requires planning policies to promote competitive town centres that provide customer choice and a diverse retail offer that reflects the individuality of centres.⁶
- 90.7 Small-scale retail plays an important part in supporting the viability and vitality of London's town centres and high streets. The Mayor's High Streets for All study identified the important role played by small businesses in supporting the social function of high streets, with nearly 40 per cent of small businesses interviewed for the study performing some kind of social function, with many commercial uses providing a point of assistance for Londoners, particularly the most vulnerable, for example through helping with form filling, giving directions, providing translations or assisting with informal credit.⁷ The study also found that high street businesses offer a range of low-threshold and stepping stone employment opportunities, especially to particular groups including young people, mothers and recent

⁴ NLP/EC/007: Experian, Consumer Expenditure and Comparison Goods Floorspace Need in London, October 2017

⁵ NLP/GD/03:DCLG, NPPF 2012, paragraph 23

⁶ NLP/GD/03: DCLG, NPPF 2012, paragraph 23

⁷ NLP/PP/005: Mayor of London, High Streets for All, November 2017

immigrants, and that typical high street configurations, with multiple small units, supports a diversity of uses in town centres and high streets, helping to avoid homogenisation. The research identified that the single most important thing to Londoners on London's high streets is choice and range of offer, with change to high streets being positively identified when this resulted in an expansion of the range on offer, and most negatively when the range was reduced. The work also confirmed that non-retail uses are key in attracting people to spend more time on high streets.

- 90.8 Given this important role of smaller scale retail in contributing to the social function of high streets and the vitality of town centres, it is important that new development of A1-A5 Use Classes provides a range of unit sizes, including smaller units. To contribute to the delivery of smaller-scale retail units, Policy E9 E states that large-scale commercial development proposals (defined as 2,500sqm of A Class floorspace) should support the provision of small shops and other commercial units. This approach will be effective in ensuring that larger-scale commercial development proposals will contribute toward providing a mix of unit sizes in town centres.
- 90.9 Rents are a particular concern to small retailers. The High Streets for All study identified that nearly 70 per cent of small high street businesses find rent to be unaffordable.⁸ The London Town Centre Health Check found that average retail rents in London's town centres have been steadily increasing at an average of four per cent per annum over the period 2009 to 2016, although different parts of London have seen different changes to rents.⁹ Average retail rents in inner London (excluding central London centres) were below those in outer London until 2008; however, since 2008 retail rents in inner London have grown strongly and are now at over £2,000 per square metre for Zone A rents. In contrast, average retail rents in outer London have remained below £1,500 per square metre. There are also further differences in the changes in rents over time in individual centres. For example, Stratford has seen growth of over 11 per cent per annum and Brixton has seen growth of over 5 per cent per annum, but other centres such as Ilford and Enfield Town have seen average rents decrease between 2005 and 2016.
- 90.10 To account for the findings of the High Streets for All study, and the significant retail rent rises seen in some centres in recent years, Policy E9 E states that affordable units should be provided on large-scale commercial development proposals where there is evidence of local need. Paragraph 6.9.9 confirms that these should be secured through planning conditions or planning obligations as appropriate. This is complemented by Policy SD7 C4, which requires development proposals to support the diversity of town centres by providing a range of commercial unit sizes, particularly on larger-scale developments.

⁸ NLP/PP/005: Mayor of London, High Streets for All, November 2017

⁹ NLP/EC/013: Mayor of London, London Town Centre Health Check Analysis, January 2018

c) Supporting Policy GG4 “delivering the homes Londoners need”?

- 90.11 Policy GG4 seeks to create a housing market that works better for all Londoners by ensuring that more homes are delivered. The 2012 NPPF recognises that residential development can play an important role in supporting the vitality of centres and requires policies to encourage residential development on appropriate sites.¹⁰
- 90.12 The Strategic Housing Land Availability Assessment (SHLAA) sets out that 32 per cent of London’s large site housing capacity (127,000 homes) identified in the 2019-2029 period is within or on the edge of town centres¹¹, demonstrating the importance of these locations in the delivery of housing.
- 90.13 The draft Plan sets out a positive framework for delivering housing in and around town centres. Paragraph 1.4.5 recognises that building more housing as part of the development of town centres will be important, with paragraph 2.0.6 recognises that many town centres and the surrounding areas have potential to accommodate significant quantities of new housing. Policy SD6 C specifies that the potential for new housing within and on the edges of town centres should be realised through mixed-use or residential development that makes the best use of land. This is complemented by Policy SD6 D, which recognises the particular suitability of town centres to accommodate a diverse range of housing, including smaller households, Build to Rent, older people’s housing and student accommodation.
- 90.14 Policy SD8 C recognises that International, Metropolitan and Major Centres have a role to play in securing opportunities for residential development in a high-quality environment, and Policy SD7 identifies that District Centres should realise their potential for higher density mixed-use residential development. This over-arching approach is supported by the town centre residential growth potential classifications for each town centre listed in Annex 1 of the draft Plan. These have been informed by a range of indicators, including the capacity identified in the SHLAA, Public Transport Accessibility Levels, vacancy rates, the extent of overlap with Opportunity Areas, and the presence of heritage designations.
- 90.15 The draft Plan takes a balanced and justified approach to the management of surplus office floorspace and its potential for housing. Policy SD9 C supports boroughs in introducing targeted Article 4 Directions where appropriate and justified, so that viable commercial floorspace and essential facilities are not lost in key locations, and encourages boroughs to take into account the guidelines in Annex 1 of the draft Plan for individual centres, which is informed by the London Office Policy Review¹². Policy SD6 E also supports the redevelopment, change of use and intensification of identified surplus office space to accommodate other uses, including housing. This approach recognises that some office floorspace will

¹⁰ NLP/GD/03: DCLG, NPPF 2012

¹¹ NLP/HOU/002: Mayor of London, Strategic Housing Land Availability Assessment, November 2017

¹² NLP/EC/004: Ramidus Consulting et al, London Office Policy Review, October 2017

be surplus to the requirements of businesses and enables the provision of housing in order to help deliver the homes Londoners need.