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Dear Carmel

### **Barker Review of Land Use Planning**

The Association of Convenience Stores (ACS – Appendix 1) welcomes the opportunity to submit its views to the Government's consultation on the above review of Land Use Planning.

ACS' response to this consultation will focus on how the land use planning system, if not working correctly, can impede small businesses, and potentially undermine the role of the local shop in the building of sustainable communities and delivering economic growth.

The challenge of meeting housing needs creates exciting opportunities for the retail sector. These opportunities have to be harnessed to ensure that new communities have access to a diverse retail sector and that in particular independent retailers are given access to new development opportunities. Given the significant barriers to small business involvement in planning and development policy there is a real danger that the retail elements of new housing developments will be the sole preserve of the largest businesses.

#### **Local Shops**

Local shops are an integral part of a community's infrastructure. Convenience stores act as a focal point in suburban and rural communities. As well as providing food and other products, they also offer services such as post offices and utility bill payment, and a place where local people meet and talk. They offer a close, convenient way in to shop with the additional benefit of a personal service. Local shops also offer flexible and local employment and invest in their communities.

The money spent in independent local convenience stores is more likely to remain circulating in the community, as retailers are likely to use other local businesses for tasks as diverse as repairing the premises or preparing company accounts. Profits generated by independent retailers are also more likely to be spent locally. The importance to the local economy of shops owned and run by local people, compared to branches of businesses where profits are returned to offices many miles from the location of the store, is critically important to understand. ACS firmly believes that independent local shops, or those owned by small multiples, are beneficial to building sustainable communities.

## **Planning Policy Statement 6**

ACS fully supports Planning Policy Statement 6 (PPS6), which is a vital tool for promoting retail diversity and encouraging sequential retail development. ACS supports the Government's approach encouraging town centre and smaller suburban and rural centre development in preference to out of town development. PPS6 is about ensuring retail fits with the needs of the community and as such should be integral to the thinking of this review.

### **PPS6 and Competition Policy**

The UK grocery industry is one of the most consolidated in Europe, with over 75% of the market controlled by only 4 companies. Planning policy, and specifically PPS6, is therefore crucially important to promoting choice and diversity. Supermarket developments have taken away demand from local and town centre retail provision and therefore in limiting the development of supermarkets, if interpreted correctly PPS6 should allow for a diverse range of retail options to continue in an area.

However, PPS6 alone is not sufficient. The recent focus of the major multiples on developing small format alternatives to their supermarket stores, shows that even though the developments are consistent with PPS6 choice is undermined, as a major retailer operates a supermarket and a range of satellite convenience stores in one local retail market (for example Twickenham and Swindon.) This undermines choice for local people and damages the fabric of the community that should benefit from a diverse and competitive retail market.

The recent work of the OFT has highlighted the way in which dominant retail companies can manipulate the planning system to reinforce their market position. The practice of "land banking", whereby a retailer purchases land with development potential as a block on the entry of a competitor, is seen as damaging to fair competition and choice. This is of particular concern when the Review is looking at large scale developments that will create popular opportunities for major retail developments.

Debate in recent years regarding planning policy has included promotion of the idea that planning policy could be amended to create more opportunities for large retailers to compete with one another. ACS believes that far from increasing the level of competition in the grocery market, such a move would undermine genuine and diverse competition featuring both large and small retail businesses. Liberalisation of planning law covering out of town development would lead to yet a more imbalanced grocery market. ACS supports planning law that fosters a diverse local market. The purpose of planning policy should not extend to promoting more activity from superstores at the expense of other local businesses.

## **Planning For Retail Space**

Given the pressure to build housing, it is vitally important that new developments plan for sufficient retail space and that allocated space is appropriate to the needs of modern retail. For example in the case of the local shop, most custom comes from a very small catchment area and the majority of customers travel on foot, however a successful store also needs an element of customer parking to ensure that it is maximising its potential. To ensure that issues such as these are fully considered it is vital that a cross section of the retail sector is brought into planning and policy decisions at an early stage.

## **Provision of Services**

We believe that retail and commercial considerations are key to current land planning use policy. Good use of land planning will include appropriate considerations of provisions for services such as the local shop. ACS wish to stress the importance of not just building bricks and mortar, but also communities. ACS acknowledges that house buyers are more favourable to development when it is underpinned by the supporting infrastructure. In order that planners and developers are able to build sustainable and thus viable communities, service must be developed to support new housing communities. The benefit of high street and town centred focused retail planning is that it is a vehicle for regeneration, provides prosperity for the local economy, fosters a feeling of community, facilitates meeting points, and offers services for all living in that area. In particular local shops provide a social function affording vital access for the most vulnerable in society.

## **Section 106 Agreements**

ACS members have concerns about the use of Section 106 Agreements and other such similar agreements entered into by planning developers (specifically larger retailers and supermarkets) and planning authorities in which big businesses commit to pay for community facilities in return for planning approval. ACS has two primary concerns with this policy. ACS believes that this gives an unfair advantage to supermarkets in the planning application process. Small retailers cannot compete financially with supermarkets in respect of planning gain, their size and financial resources act as barrier. The planning system should not be about the private sector delivering public services and facilitating through section 106 agreements public policy but ensuring that development decisions reflect the appropriate housing and commercial needs of a community.

ACS recommends tighter rules on the use of section 106 agreements. These agreements if used should be linked directly to the development itself, covering issues such as access, and not used merely as a means of sweetening a development that otherwise would not be justified on planning grounds. There should be greater transparency in this process.

## **Consultation**

Small businesses and small retailers in particular, often find it difficult to engage in the planning process. Many retailers have fed back to our organisation that the present system is too complicated, bureaucratic and expensive in terms of time and money. Unlike the large multiples, local shop owners do not have the resources to run in-house legal team or retain planning consultants to guide them through the process. More needs to be done to create a planning system that meets the needs of small businesses. In particular, the planning system must ensure that local small businesses are made aware of development opportunities. This should be done using existing small business communication structures, trade associations and through local communication networks.

We are glad to provide any more information or assistance to the ongoing review as appropriate and look forward to considering the findings

Yours Sincerely

David Rae  
Chief Executive