

# **EXECUTIVE SUMMARY**

- The National Planning Policy Framework's 'primary shopping areas' (PSAs) designation in town centres concentrates retail and leisure uses in one small zone, creating inactive dead zones outside the PSA and separating retail from the residential areas where its users live.
- Primary shopping areas are often dominated by one or two large single-owner shopping centres, limiting the rental market. This allows property owners to charge higher rents to small businesses, hurting the high street. The limited space reduces variety on the high street, making high streets less attractive to shoppers.
- Local planning policies are based on retail capacity assessments that can become out of date before the plans are even adopted. These policies then restrict the ability of town centres to adapt to changing market conditions and consumer behaviour.
- PSAs are applied inconsistently, including and excluding existing retail areas and failing to respond to the geography of high streets.
- The designation of primary frontage streets and PSA boundaries is arbitrary, limiting the potential growth of high streets and town centre economies.
- Expanding the PSA and creating secondary shopping areas would encourage increased activity and revive struggling high streets.
- Abolishing the PSA policy and retail zoning would make high streets better able to adapt to a changing retail market, as well as creating a fairer environment for small businesses.
- Mixed use development, combining retail, office, leisure and residential uses, creates more viable, safe and liveable spaces with night-time activity and the ability to adapt to changing economic and social circumstances.
- This paper looks at two concerning case studies of overregulation of the town centre, Stafford & Stone and Milton Keynes, and one welcome case, Aylesbury, of less restrictive local planning rules that shows the benefits of more wide-spread retail.

ADAM SMITH INSTITUTE -THE FREE-MARKET THINKTANK 23 Great Smith Street, London, SW1P 3BL +44 (0)20 7222 4995 www.adamsmith.org

# **ABOUT THE AUTHOR**

**Thomas Walker** is a planning consultant and clerk to multiple parish councils in the Milton Keynes area. He has worked on the development of three neighbourhood plans and is the author of a book on the history of England's new towns.

#### INTRODUCTION

Town centre retail in the UK has experienced a period of sustained decline over the past decade which has affected the viability of high streets and town centres.<sup>1</sup> This is usually attributed to the rise of online retail, the 2008 financial crisis and the decline of certain markets like DVDs, CDs and portable media players which have been made obsolete by newer technologies. The collapse of several major retailers including Woolworths, Zavvi, JJB Sports and Toys R Us has made empty units and inactive spaces commonplace in many town centres across Britain.

As a result, there has been a great deal of political effort concentrated on keeping Britain's high streets viable and active. This often takes the form of attempting to restrict the flight of retail out of failing town centres to out-of-town locations. This has led to policies which attempt to zone retail into town centre areas and focus development on existing high streets.

The Government's National Planning Policy Framework (NPPF) encourages local authorities to "define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations."<sup>2</sup> This usually includes an 'edge of centre' area surrounding the main town centre area. Local plans which go against the NPPF are likely to be amended during their inspection periods and authorities have to defend their decisions before a government-appointed inspector.

The NPPF further requires authorities to allocate sites for the scale and type of development they anticipate to be needed over at least the next ten years and put in place a 'sequential test' to deal with applications to develop town centre uses outside the town centre or edge of centre areas. Such applications, according to the NPPF, should only be considered where suitable town centre or edge of centre sites cannot be found.

The NPPF defines a town centre as being an "area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area."<sup>3</sup>

These guidelines are intended to ensure the viability of high streets by encouraging local plans that restrict 'town centre uses', especially retail, to within the primary shopping area. The NPPF aims to make town centres more competitive by restricting the development of retail outside of town centres. However, retail-dominated town centres become inactive spaces during night-time, which can lead to an increase in crime. Furthermore, in an environment where retail is already struggling to survive, restricting retail development to small areas where most of the land is already developed and there is often a lack of consumer demand is damaging.

<sup>1</sup> NJI Consulting (February 2019), The Evening Economy: Critical to Town Centre Vitality and Viability?, available at: http://www.njlconsulting.co.uk/news-blogs/news-blogs/the-evening-economy-critical-to-town-centre-vitality-and-viability/

**<sup>2</sup>** Ministry of Housing, Communities & Local Government (February 2019), National Planning Policy Framework (NPPF), p.25

<sup>3</sup> NPPF, p.72

The restrictions on development of commercial spaces outside of the high street creates a barrier to new retail development, particularly from smaller and more innovative developers and providers that more closely align with consumer demand. If the decline in retail continues, concentrating retail in town centre zones is likely to lead to more inactive streets in town centres, both at night and during the day.

This paper examines three case studies of local authorities which have designated town centre retail areas in their local plans, in order to assess the practical impact of this on the town centres. These demonstrate three different approaches, two of which significantly constrain the development potential in their respective centres and fail to respond to the geography and demands placed on those towns, while the third creates the most permissive and open policy environment the current NPPF requirements will permit. The paper goes on to discuss how a more relaxed approach is needed to allow Britain's town centres to function in a changing environment.

## HOW ZONING LAWS HURT THE HIGH STREET

The zoning policies directed by the NPPF are designed to protect high streets and town centres from competition and the loss of large retailers. In practice these guidelines restrict the ability of high streets to adapt to changing circumstances, attract custom and grow to serve expanding communities. This is because:

- Expansion is restricted: Designated primary shopping areas are already heavily developed and sometimes overlap with conservation areas or contain a large number of listed buildings. This leaves little space for new development, preventing a flourishing high street.
- Monopolistic ownership: Designated primary shopping areas often contain large areas of land owned by one or more management companies, either in the form of indoor shopping centres or privately owned outdoor complexes. This gives these landowners an unfair competitive advantage as planning policy prevents competing centres from being established, potentially limiting the range of retail in the town centre and reducing the variety and competitiveness of the town centre overall.
- **Mixed use limited:** The range of uses in town centre areas is restricted and the combination of retail development with the office and residential development that can help it remain sustainable is discouraged.
- Inactivity outside centre: Streets and areas outside the designated area are left inactive, leading to unattractive and unsafe streets, especially at night. A plan seeking to improve the vitality of towns should encourage new activity on these streets, but instead it is concentrated on the already active ones. Activating streets with transparent frontages, light and movement by allowing retail and

leisure development improves the safety, security and perception of the town 5 centre.<sup>4 5 6 7</sup>

These policies are often also ineffective as out-of-town retail developments continue to be approved in spite of plans that restrict such schemes. This is often because inflexible, fully developed high streets and town centres are unable to accommodate the needs of modern large retailers. Furthermore, the bureaucratic nature of local authorities and the policy making process means that local plans are often out of date, superseded by new developments, other policy documents and market changes, before new ones are adopted. The evidence base on which these plans are based typically predates the plan itself by a year or two, meaning it will often be out of date before the plan is even adopted. Local authorities are also in constant political flux with a third of the council being reelected on three out of every four years. As such a ten-year plan is liable to be at odds with the policy direction of a new administration within a year or two of its adoption, or sometimes even before its adoption.

# HOW LOOSENING ZONING RULES COULD SAVE THE HIGH STREET

Cushman & Wakefield's *What's Next Report on UK Town Centres* report finds that Britain's high streets are in decline, with falling rents and often excessive retail capacity.<sup>8</sup> The retail industry is still reacting to the shift towards online sales, a process that is accelerating with automated delivery and online content streaming.<sup>9</sup> Retail alone is no longer sufficient to sustain high street economies. Town centres need to offer a wide ranging appeal where retail is placed alongside other uses including leisure, residential and business uses.<sup>10</sup> The likes of supermarkets and pharmacies next to yoga and dancing studios and below residential apartments is the future of the high street.

**4** The World Resources Institute (July 2014), "People-Oriented Cities: Mixed-Use Development Creates Social and Economic Benefits", available at https://www.wri.org/blog/2014/07/people-oriented-cities-mixed-use-development-creates-social-and-economic-benefits

**5** Chao, T. (University of Nottingham, 2003), "Gated Communities: Building Social Division or Safer Communities?", which includes a survey in which respondents in the 55-75 age bracket regard safety through natural surveillance as an advantage of living in mixed use development, and cites previous studies noting the natural surveillance benefits of mixed use development for safety. Available at https://pdfs.semanticscholar.org/02ef/8e4c51c0a891f837fb6ec2e01bfb0cc8da73.pdf

**6** Coupland, A., (University of Westminster, 1998), "Reclaiming The City: Mixed Use Development", which notes government policy to support mixed use development because it improves vitality, creates "a more secure environment" and "more attractive and better quality town centres".

7 Barton, H., Grant, M. and Guise, R., (Spoon Press, 2003), "Shaping Neighbourhoods: A Guide for Health, Sustainability and Vitality", pp. 194, noting that mixed-use development "re enforces the viability of centres with overlapping uses, providing multiple reasons for people to go and stay in the centre" and "create vitality and character in the place".

8 Cusham & Wakefield (May 2019), "UK Town Centres: What's Next? An Analysis of Town Centre Retail Performance, Past and Future", available at http://www.cushmanwakefield.co.uk/en-gb/researchand-insight/2019/uk-town-centres

**9** UK Parliament (February 2019), "High streets and town centres in 2030", available at https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/full-report.html

**10** Widener, Michael N., (2014), "Begone, Euclid: Leasing Custom and Zoning Provision Engaging Retail Consumer Tastes and Technologies in Thriving Urban Centres", pp. 4, 21-27.

Likewise, for retailers to remain viable they need to adapt to consumer needs. The three town centres studied in this paper have experienced retailers moving outside the primary shopping area to facilities that better meet their needs, are closer to consumers, are more accessible with less road congestion and free parking, and contain larger floorspace with more capacity for expansion.

Continuing to constrain retail development to protect an outdated concept of what the high street is will only serve to accelerate the decline that the last decade has witnessed. Retail does still have a place in town centre economies, but its success there depends on its ability to mix with other uses and form part of a strong visitor and resident offering.<sup>11</sup> A primary shopping area filled with empty retail units will not perform well against larger centres or other attractions, and a retailer stuck within such a centre will not survive competition from online shopping.

Instead the government and local authorities need to recognise the shifting reality of how people shop and how people use town centres. Removing the requirement to designate primary shopping areas will free up the high street to develop in the way it needs to to remain relevant and viable, whilst also freeing retailers up to better withstand the impact of the internet age.

## **CASE STUDY 1: STAFFORD & STONE**

Stafford Borough Council adopted its local plan for the 2011-2031 period in 2014.<sup>12</sup> This covers the major town centres at Stafford and Stone. Policy E8 of the local plan states that:

"Development proposals at Stafford providing greater than 1,000 square metres gross floorspace and at Stone providing greater than 500 square metres gross floorspace for town centre uses in an edge or out-of-centre location should be the subject of an impact assessment ... If planning permission is granted for retail development in an edge-of-centre or out-of-centre location, the range sold at the development may be restricted either through planning conditions or legal agreement. No new development for retail warehouses and superstores is required in these locations at Stafford."

The boundary of the primary shopping areas of Stafford and Stone is shown on the below maps. These were defined in 2010, with the primary and secondary frontages (but not the boundaries) reviewed and slightly revised following the adoption

**<sup>11</sup>** Savills (November 2018),, "UK Shopping Centre and High Street Spotlight", indicating retail in decline but also experiencing some limited growth and that consumer confidence remains high. Available at: https://www.savills.co.uk/research\_articles/229130/268189-0/uk-shopping-centre-and-high-street-q3-2018

**<sup>12</sup>** Stafford Borough Council (June 2014), The Plan for Stafford Borough, available at: https://www. staffordbc.gov.uk/sites/default/files/cme/DocMan1/Planning%20Policy/Plan%20for%20Stafford%20 Borough/PFSB-Adoption.pdf

of the local plan.<sup>13</sup> The primary shopping area boundary is shown in red with the primary and secondary frontages shown in blue and green respectively (See Figrue 1 and Figure 2).

## FIGURE 1: PRIMARY SHOPPING AREA, PRIMARY AND SECONDARY SHOPPING FRONTAGE MAPS FOR STAFFORD (LEFT) AND STONE (RIGHT)

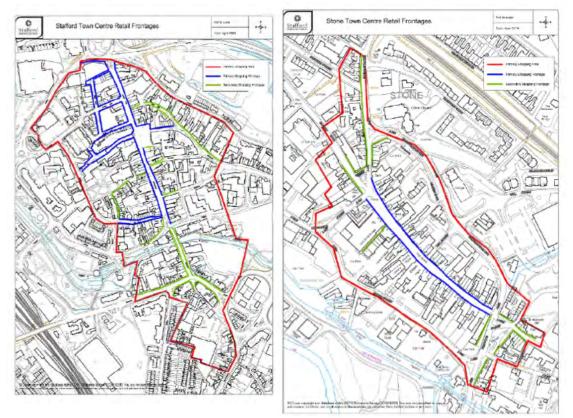
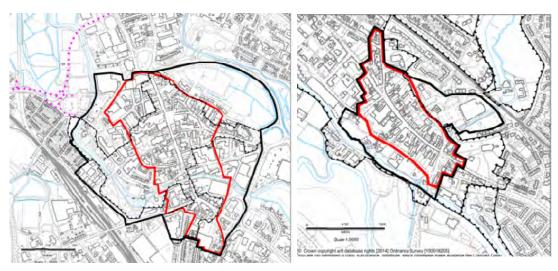


FIGURE 2: IN ADDITION TO THE PRIMARY SHOPPING AREA, A WIDER TOWN CENTRE BOUNDARY EXISTS OUTSIDE THIS (THE HATCHED LINE SHOWS THE CONSERVATION AREA BOUNDARIES)



**13** Stafford Borough Council (2017), Background Paper on Retail Boundaries and Frontages.

Policy E8 does not make any reference to primary or secondary shopping frontages and the NPPF does not explicitly require these to be defined, so it is not clear what planning weight (if any) the designation of a primary or secondary shopping frontage carries in this case. The overwhelming majority of land within both primary shopping areas is already developed and local plan does not designate any development sites within either town centre area, leaving this to a later Site Allocations Development Plan, which has not yet been produced. The only large undeveloped parcel of land in Stafford town centre is an area of flood-prone wetland and much of Stafford and the entirety of Stone town centres are designated conservation areas.

In both the cases of Stafford and Stone, both the primary shopping area and town centre boundaries exclude the railway stations, with the Stafford primary shopping area also excluding the bus station area. These are major arrival points into the towns for visitors and residents and are areas of high activity and high demand.

As such, Policy E8 effectively limits retail development to an area where all the developable land is already built on, where redevelopment of existing buildings is restricted and which excludes major transport interchanges. A total of 7,197 new homes are proposed in Stafford through the local plan, together with 820 in Stone.<sup>14</sup> This will create further demand for retail and leisure development in these towns, yet the current policy structure is designed to prevent this demand being met outside the largely undevelopable town centre area.

Policy E8's stated aim is to "increase the use of the town centre" and pursues this by preventing the development of competing out-of-town retail. This amounts to is restricting retail development to small schemes by existing town centre landowners, preventing the emergence of retail developments from new providers and ultimately restricting the ability of the town at large to compete with neighbouring centres, notably Stoke-on-Trent and Derby in this case.

Policy E8 further states that:

"Planning permission will be granted for the construction of new Use Class A3, A4 or A5 (restaurants & cafés, drinking establishments and hot food takeaways) premises or change of use of existing premises to a Use Class A3, A4 or A5 use applying the following criteria: The development is within a town, local or other centre defined in the hierarchy with adequate provision and access to public transport, walking and cycling"

This policy restricts the construction of restaurants and cafes outside of designated centres, including at existing out-of-town retail developments which are not included in the hierarchy and in residential areas where they would improve the vitality and night-time safety of those areas.

<sup>14</sup> SKM Colin Buchanan (July 2012), Stafford Borough Infrastructure Strategy, Stage 2 Infrastructure Delivery Plan, Table 3.1, available at: https://www.staffordbc.gov.uk/sites/default/files/cme/DocMan1/Planning%20Policy/Further%20Information%20and%20Evidence/Infrastructure%20Delivery%20Plan/Stafford-Borough-Infrastructure-Strategy-Stage-2-IDP.pdf

In Stafford, two large new retail developments both opened in 2017 inside the town centre boundary, but outside the primary shopping area. These developed the two largest vacant sites that were available, and their construction suggests the existence of demand for further large-scale retail development, particularly with the projected population increase. The impact assessment that any development to meet this demand outside the town centre boundary will need to pass and the associated restrictions on the class of retail provided acts as a protection from competition for the existing retail providers in the town centre.

Ultimately, a sub-par retail offer is allowed to continue in the town centre while the demand for larger, newer and better-quality provision goes unanswered. Consumers are deprived of choice and will travel to other centres to access the services they want and the vitality of the town centre and the town at large will suffer as a result. In the past two years the only applications for large-scale development in Stafford Town Centre have been for the renovation of the park, the expansion of the college and the conversion of an office building into a hotel.<sup>15</sup>

In spite of these policies which aim to protect the town centre from out-of-town competition, a 2017 BBC article noted that the Guildhall shopping centre, Stafford's older town centre shopping mall, was 15-20% empty as a result of the opening of the new Riverside centre, located outside the PSA but within the town centre boundary.<sup>16</sup> This would indicate that the retailers that have relocated to Riverside needed a different kind of centre offer to what they had at the Guildhall. The Riverside's more modern design and larger-unit format has attracted a number of new retailers to Stafford, including Primark and River Island, which the Guildhall could not have accommodated. The Guildhall's location in the heart of the town centre, surrounded by heritage buildings, constrains its ability to grow. The Riverside's arrival doesn't mean the end of the Guildhall, but rather indicates the need for it to move into a different role more suited to its constrained position in an expanding town centre. The overall viability and competitiveness of the town centre has benefited from the Riverside's arrival.

#### **CASE STUDY 2: MILTON KEYNES**

Milton Keynes presents an interesting test case for the NPPF concept of a town centre. As a planned 'new city' developed from the 1970s onwards, it has no traditional high street, and the city centre as developed by the Milton Keynes Development Corporation consists of a rectangular box half a mile wide and a mile and a half long, bordered by four dual carriageway main roads.

This area, known locally as Central Milton Keynes or 'CMK', contains a wide mix of uses by design, including residential, office, retail and leisure. Most of the retail is concentrated in a single large indoor shopping complex built by the MKDC in 1978, along with a second smaller indoor centre added in 1999. The primary shop-

**<sup>15</sup>** From a search of the Stafford Borough Council public access portal for planning applications, available via https://www.staffordbc.gov.uk/planning-public-access

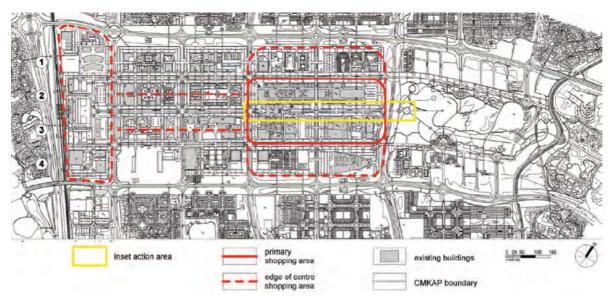
**<sup>16</sup>** BBC News (November 2018), "More than 200 UK shopping centres 'in crisis'", available at: https://www.bbc.co.uk/news/uk-england-45707529

ping frontages are, as such, all indoors and all on private land belonging to one of **10** two major landowners.

Milton Keynes is also unusual in being a fully parished borough, meaning that the whole urban area is divided into local parishes with their own parish councils. Under the Localism Act 2011 these parish councils have the ability to draft neighbourhood plans, setting out planning policy within those parishes, which are then put through a referendum and adopted by the borough council.<sup>17</sup> The Central Milton Keynes Alliance Business Neighbourhood Plan (CMKAP) was adopted in this manner in May 2015<sup>18</sup>.

The CMKAP includes policies encouraging mixed use development throughout Central Milton Keynes. CMKAP Policy G6 says that "Mixed-use is encouraged for all development proposals to create interest and vitality throughout the day and a sense of security at night." It also defines a large primary shopping area with an even larger edge of centre area, designed to encourage retail development along the whole length of the central boulevard and around the station at the west end of the centre, as well as the retail core at the east end (See Figure 3).

FIGURE 3: THE PRIMARY SHOPPING AREA AS IT APPEARED IN THE CMK Alliance Plan. Note the extended section west along Midsummer Boulevard and around the railway station.



The plan also flexibly allocates sites throughout Central Milton Keynes, including retail as a potential development use in sites throughout the neighbourhood plan area:

<sup>17</sup> UK Government, The Localism Act 2011, available at: http://www.legislation.gov.uk/ukpga/2011/20/introduction/enacted

**<sup>18</sup>** The CMK Alliance (October 2014), The CMK Alliance Business Neighbourhood Plan 2026.

FIGURE 4: THE DEVELOPMENT LAND MAP FROM THE CMK ALLI-ANCE PLAN, USING COLOUR CODING TO SHOW A RANGE OF POS-SIBLE USES ON SITES THROUGHOUT CENTRAL MILTON KEYNES.

11



Indicative retail sites are shown in red.

The CMKAP was prepared in accordance with the then-existing Milton Keynes Council local plan, which was adopted in 2005 and updated with a core strategy in 2013. However, following the adoption of the CMKAP, Milton Keynes Council began preparing a new local plan known as Plan:MK. This was adopted in early 2019, and replaces the CMKAP mixed use concept with a much narrower retail plan, replacing the extended edge of centre area with an arbitrary one extending 300m from the primary shopping area in all directions.<sup>19</sup>

This has meant that Milton Keynes Central railway station, a major intercity hub with over 6 million entries and exits annually, surrounded by existing small and large scale retail development, is now outside both the primary shopping and edge of centre areas. Sites throughout Central Milton Keynes and the adjoining Campbell Park area which are marked for retail use are now outside the edge of centre area. Instead the west end of Central Milton Keynes is now defined as a "central business district".

**<sup>19</sup>** Milton Keynes Council (March 2019), Plan:MK 2016-2031, p.34 para 4.72 & p.35 Figure 1.

## FIGURE 5: CMK CITY CENTRE BOUNDARY MAP: THE BUSINESS AND SHOPPING ZONES SET OUT IN PLAN: MK



This re-enforces the present situation where the railway station and shopping/leisure areas are separated by a large area of primarily office development, creating an unbalanced activity pattern where one area is busy during weekdays but virtually empty during evenings and weekends, whilst the other is the opposite. This causes a range of issues including safety concerns in the inactive areas, unbalanced demand for car parking and a lack of passing trade for new business.

In addition to this, Plan:MK changed its proposed primary shopping area boundary twice during its preparation phase. The first change expanded the PSA to include the Xscape centre to the south of the PSA. This is a 2000-built mixed-use facility including internal retail space, a cinema and ski slope. This was changed back following a letter from the planning inspector during the plan's inspection process to once again exclude the Xscape centre.<sup>20</sup>

The result of this is that the primary shopping area consists primarily of land owned by one of two retail operators, Intu and Hermes (operating thecentre:mk), as well as the Theatre, a small district of food retail adjacent to it, and two development sites, one already earmarked for further retail development by Hammersons and another earmarked for residential development by the Council-owned Milton Keynes Development Partnership. Thecentre:mk is a Grade II listed building, further constraining development in the PSA.

The larger edge of centre area in the CMKAP was challenged by the inspector during that plan's inspection process, but permitted after the unique geography of Central Milton Keynes was explained. In the case of Plan:MK, National Planning Policy Framework guidance has pushed Milton Keynes Council into adopting an inappropriate 300m edge of centre area that pays no regard to the local geography, and the government inspector has forced the exclusion of the Xscape site, further limiting the availability of land for retail development and the potential for retail competition. The CMKAP notes Central Milton Keynes' present lack of smallerscale, non-chain independent retailers, and the Plan:MK retail policies look likely to re-enforce that situation by not allowing for smaller-scale retail to be developed outside the PSA.

**<sup>20</sup>** Milton Keynes Council (October 2018), Plan:MK Schedule of Proposed Main Modifications, p.13, modification no. MM13.

#### **CASE STUDY 3: AYLESBURY**

The Vale of Aylesbury Local Plan 2013-2033 was rejected by the Government in 2014, and as of 2019 still remains unadopted.<sup>21</sup> A revised version was submitted in November 2017, however in the absence of an adopted local plan Aylesbury is currently experiencing a period of relatively lax planning policy with no up to date local plan in place. The 2017 submission version includes a Retail and Town Centres Topic Paper, which sets out the proposed town centre boundary, primary shopping frontage and central shopping area to which the local plan will refer. These have been expanded from those previously designated (See Figure 6) to include new secondary shopping frontages (See Figure 8) and an expanded town centre boundary See (Figure 7).

## FIGURE 6: THE PREVIOUS TOWN CENTRE BOUNDARY, CENTRAL SHOPPING AREA AND PRIMARY SHOPPING FRONTAGE ARRANGE-MENTS IN AYLESBURY TOWN CENTRE

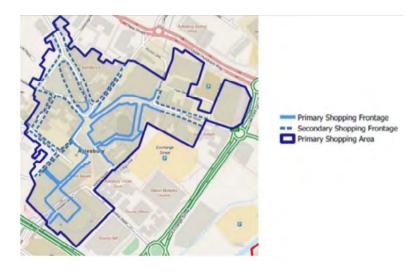


FIGURE 7: THE NEW ARRANGEMENT FOR THE NEW VALE OF Aylesbury Local Plan, with a significantly expanded town centre boundary.



**<sup>21</sup>** The Bucks Herald, https://www.bucksherald.co.uk/news/people/developers-field-day-continues-after-aylesbury-vale-local-plan-hits-another-hurdle-1-8660792

#### FIGURE 8: AYLESBURY TOWN CENTRE: THE NEW PRIMARY SHOP-PING FRONTAGES MAP, SHOWING NEWLY ADDED SECONDARY FRONTAGES



The expansion of the town centre boundary allows it to encompass a number of what were previously edge of centre retail developments, most notably the new Waterside development to the south of the town centre, which includes a new university campus, Waitrose shopping centre and hotel. While the previous boundary was based on the town's inner ring road, the expanded one also takes in a pre-existing early 2000s retail park to the northeast, a number of new office developments along the A413 to the south and new residential developments across the railway line to the southeast. In making this change Aylesbury Vale District Council (AVDC) have replaced an arbitrary definition of the town centre with one that is based much more on what's actually there, allowing for continued development of an expanded retail offer in these areas to support the proposed 19,400 new homes in the borough.<sup>22</sup>

The expanded town centre boundary also enables an envisaged massive increase in retail floorspace in Aylesbury town centre, which is projected to grow from 2970sqm in 2024 of convenience retail to 6980sqm by 2033, and from 14364sqm of comparison retail floorspace in 2024 to 29289sqm by 2033. This is on top of existing commitments and projections in the 2019-2024 period.

The Topic Paper also notes a lack of range in the current retail offer in Aylesbury, and actively encourages the range of retail uses to be widened on the primary and newly designated secondary shopping frontages. There is a recognition that the present offer is failing to appeal to the middle and upper income part of the market and is not competitive with nearby town centres.

In order to remain compliant with the NPPF, the Topic Paper and Local Plan still set out a sequential test for out of town retail developments, but in effectively doubling the size of the town centre boundary and in designating almost every street within the primary shopping area as either a primary or secondary frontage, AVDC

**<sup>22</sup>** Aylesbury Vale District Council (November 2017), Vale of Aylesbury Local Plan Submission Version https://www.aylesburyvaledc.gov.uk/sites/default/files/page\_downloads/Submission-VALP-%20high-res2.pdf

have pushed the amount of land available to retail development to the realistic maximum. This is in marked contrast to both of the other case studies in this paper.

Policy D7 in the Local Plan identifies further potential retail development sites beyond the current Waterside scheme and notes that "qualitative redevelopment in the town centre will be supported and encouraged". Policy D7 also makes another marked departure from its Stafford counterpart by encouraging the provision of a new multimodal transport interchange within the town centre (both the bus and rail stations are within the expanded town centre boundary but are presently separated by the A41 dual carriageway) and noting that this should include more town centre use development.

The Waterside North development has created a situation where the retail capacity in Aylesbury town centre is presently ahead of demand.<sup>23</sup> Because of this, and in light of the town's different appeal to larger neighbouring retail centres<sup>24</sup>, ADVC have recognised a need to encourage and support a much wider range of town centre uses. As the population continues to grow, retail demand will likely increase, and AVDC's approach to policy setting provides far more flexibility to accommodate both this and the wider range of services Aylesbury needs to compete against its larger neighbours.

## **CASE STUDY FINDINGS**

Each of these case studies shows a different approach to defining retail areas within the requirements of the National Planning Policy Framework. Aylesbury and Milton Keynes are radically contrasting approaches, the former trying to create the widest, most open retail policies possible under the NPPF while the latter interprets it as literally as possible with no concessions to the reality on the ground. Stafford and Stone sit between the two, with retail areas that do respond to local geography but still arbitrarily omit key areas and produce a very constrained PSA.

All of these local plans are designed (in line with national guidance) to operate over long, 15-20 year timeframes. This, combined with the examination process which typically takes up to two years, results in plans that are often out of date even before they're adopted getting much more out of date by the time they are updated or replaced. This also results in policies which are focused heavily on achieving longterm strategic objectives which can change over the lifetime of the plan, without a clear grasp of the immediate challenges that need addressing.

Of these three plans, only Aylesbury's comes close to providing a planning environment likely to support the growth needed given the town's projected population

**<sup>23</sup>** The Bucks Herald (February 2019), "Prime retail spot in 'The Exchange' to become orthodontists after 'no interest from retail sector'", available at: https://www.bucksherald.co.uk/news/prime-retail-spot-in-the-exchange-to-become-orthodontists-after-no-interest-from-retail-sector-1-8826739

**<sup>24</sup>** LGC Plus https://www.lgcplus.com/opinion/roundtables/roundtable-local-identity-is-key-to-towncentre-regeneration/7029500.article, in which AVDC commercial property and redevelopment director Teresa Lane notes that Aylesbury needs to shift its 'unique selling point' and encourage other uses in recognition that it cannot compete in retail alone against centres like Oxford and Milton Keynes.

increase over the next two decades. The Stafford and Milton Keynes plans both produce a primary shopping area constrained by existing landowners and heritage concerns. In practise, the result of this is that retail development takes place outside the PSA anyway, and often outside the town centre area altogether; all three of the towns studied here have experienced large-scale out-of-centre retail developments over the past 15 years. Relaxing the need to define strict PSA and edge of centre areas, far from encouraging out of town retail developments, will create a town centre planning environment which is better able to accommodate the retail that the market requires in a central location.

## HOW TO REINVIGORATE THE HIGH STREET

If the Government wants to reinvigorate our high streets and encourage mixed use areas:

• The National Planning Policy Framework should be amended to remove the requirement to define strict primary shopping areas and edge of centre boundaries.

Removing the requirement to define strict primary shopping area and edge of centre boundaries would allow authorities which wish to pursue a more open strategy to produce inspection-passing local plans that encourage both retail development across a wider area and other development within the town centre. Local authorities will then be free to develop appropriate strategies for their own town centres without the one-size-fits-all imposition of the primary shopping centre and edge of centre concepts. In practice, this would enable more mixed-use development and retail that is specifically responsive to consumer-wants, rather than forcing retail into a relatively narrow geographic area.

• Local plans should encourage mixed-use developments and a diverse range of uses within and around town centres, in a flexible manner which allows those centres to adapt to rapidly changing market conditions.

The specific encouragement of mixed-use would allow town centres to adapt to changing conditions and remain active if retail continues to decline or if unforeseen new trends develop in the future. Mixed use development in town centres will also improve natural surveillance and night-time activity, creating safer environments for residents and visitors. Both mixed-use development and the encouragement of diverse retail offers are NPPF policy, however the requirement to designate primary shopping areas and concentrate retail within these creates contradictory priorities for policy making.

• Local plans should be written from a pro-development point of view, focusing policies on supporting new retail development, not restricting it.

A struggling retail environment should not be further constrained by limited options for development and concentration into areas owned by existing retail landowners. It is therefore essential that local plans are pro-development, particularly when it comes to supporting new retail options. This will help address issues faced by struggling retailers, who are often driven out of towns by being unable to relocate to more appropriate locations.

• Shorter-term local planning should be encouraged, replacing or augmenting 15-20 year strategic visions with quickly-produced down-to-earth local plans focused on resolving immediate practical issues.

The existing planning system is designed to provide certainty over a longer period of time, however this has the practical impact of reducing flexibility and responsiveness to changing market conditions. The development of shorter term plans to augment or replace long-term plans would help address outdated planning practices. It would prevent plans from being made obsolete by economic, social and political changes on both a local and national level.

• The examination process for local plans should be simplified or abolished, allowing local authorities to produce plans appropriate for their own areas and less constrained by national policy, in the spirit of the 2011 Localism Act.

The excessive top-down bureaucratisation of the planning process must come to an end. This would help accelerate the development of local plans so they don't become out of date before they're adopted. This will also remove the need for plans to comply with overarching strategic documents like the NPPF, which don't respond to the unique needs of different towns and cities, giving local authorities and local people control over the development of their own towns.<sup>25</sup>

• Neighbourhood Planning within urban areas should be encouraged further to take advantage of local knowledge and expertise and produce plans better focused on local needs and priorities.

The use of local knowledge would allow residents and parish, town or community councils within smaller areas to drive policy making appropriate to the specific needs of each part of a town, rather than a city or borough-wide plan favouring particular areas over others. The inspection process for Neighbourhood Plans should also be relaxed to ensure the original intention of Neighbourhood Plan policies are preserved through to the adopted version. <sup>26</sup>

**<sup>25</sup>** Stanion, S., East Midlands Councils (2014), "Local Plans and "Soundness"", which notes that "A review by Nathaniel Lichfield & Partners, undertaken in March 2014, of the 109 Local Plans examined or submitted for examination since the NPPF was introduced, confirmed that the key reason Plans had stalled was the policy requirement to meet objectively assessed needs... ...half of the Plans submitted for examination post NPPF and prior to March 2014 had experienced delays. Progress of many Plans had stalled as LPAs took stock of their evidence base before proceeding with the rigorous examination process, with an increasing number of Plans having to be withdrawn in order to avoid having to be found unsound."

**<sup>26</sup>** The National Association of Local Councils (October 2018), "Where Next for Neighbourhood Plans?" notes that Neighbourhood Plans have "neighbourhood planning had built a participatory approach to planning and local decision making, and far from it being used as a 'tool for NIMBYs', as predicted by some, it has opened up routes for communities to be proactive about development

• Permitted development rights should be expanded to allow conversion of residential or office buildings (Class B or C developments) to retail use (Class A), making it easier for new competitive retail to be set up in inactive areas of town centres.

The use of permitted development rights to enable the conversion of retail and office space to residential use has been a welcome step. It would also be sensible, however, for the conversion in the opposite direction. This would enable property owners to determine the best usage of their property, in this specific case enabling the expansion of retail space available. In practice this would enable substantial mixed-use development.

#### CONCLUSION

Loosening the requirement for local authorities to create designated primary shopping areas will give high streets and town centres the flexibility they need to grow and adapt to rapidly changing market conditions. Zoning retail areas in town centres perpetuates the reliance of the high street on the retail industry, focuses activity on existing main streets leaving other parts of the town centre inactive and unwelcoming, constrains the ability of retailers to adapt to changing customer needs and separates retailers from the customers that use them.

For Britain's high streets and town centres to remain active and viable, a looser approach to planning is needed which is better able to respond quickly to changes in technology, habits, and markets. Town centres need to be able to present a wideranging visitor experience, not only focused heavily on retail but supported by a range of other uses and attractions. Likewise, for the retail industry to survive and compete effectively against growing online competition, retailers need to be free to adapt to their customers' needs in terms of floorspace and location.

The present planning policy established by the NPPF requirement to designate primary shopping areas needlessly constrains the development of Britain's town centres and threatens their viability and that of large parts of the retail industry. Local plans and the retail zones in them quickly become out of date and legislation is slow to react to a rapidly shifting economic and social paradigm. A move away from zoning is required to allow local authorities and town centre economies to grow, adapt and survive in an uncertain and unstable environment.

challenges" but notes that interference from local authorities and changes at the inspection stage have limited the ability of plans to implement the intended policy direction of the parish/town councils developing them.