One voice for retail warehouse & superstore property

Sadiq Khan (Mayor of London)

New London Plan

GLA City Hall,

London Plan Team,

London, SE1 2AA

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Response by Accessible Retail to the New London Plan

Accessible Retail (AR), is the trade body which represents the property interests of the retail warehouse and retail park sector of the retail industry. We have over 1100 members comprising retailers, developers, owners/investors and advisers, including most of the major companies active in the sector, constituting a significant body of opinion within the retail industry.

Retail parks and warehouses play a significant role in the economy and in the retail industry. The sector accounts for some third of total retail spend and comprises the largest part of investment grade retail commercial property. It employs some 750,000-800,000 people, providing jobs with a wide range of skills and offers opportunities for flexible working conditions.

We thank you for the opportunity to respond to the new London Plan, much of which we wish to support. However, the Plan adopts an unsupportive approach to out of town retailing which we believe fails to take account of the fundamental restructuring of retailing now taking place in the UK including in the capital and which, if not changed, will be to dis-benefit Londoners.

Retail is Undergoing Fundamental Restructuring

To meet the on-going needs of retailers and their customers in London, the new London Plan needs to take account of the fact that retailing is restructuring in response to (a) the growth in competition from on-line retailing and (b) the fact that for the type of multiple retailer trading from retail parks, London's local high streets do not offer premises of the size that they require or which have dedicated service yards for deliveries and provide car parking for customers to collect bulky goods. In short, there has been a shift from secondary to primary centres and from small stores to larger stores. The retail landscape is permanently changed in this way.

The strategic retail policy in the Plan should recognise this permanent structural change and ensure that investment can flow to the stronger centres whether, town centre, out of town or high street. No longer is a 'one size fits all' approach appropriate in the new multi-channel retail world.

Policy SD8 Town centres: development principles and Development Plan Documents and the link to Policy H1

However, this is not the case as the Plan is currently drafted. Policy SD8 A (2) does not recognise this fundamental change but continues to promote an anti retail park approach. Further weight is added in supporting paragraph 2.8.3 which, having identified out of centre retail parks as being of 'low density and car dependent', links this to Policy H1 and uses it as a justification to encourage the redevelopment of retail parks 'to deliver housing intensification'.

Such reasoning shows a failure to understand how and why modern retailing business models are evolving and the consequential important role retail parks now occupy in meeting customer needs and providing retailers with a financially sustainable efficient format with which to respond to on-line competition.

Lack of Conformity with the National Planning Policy Framework

In support of this, we point out that the result of construing the policies in Policy SD8 A (2) and the link to Policy H1 so prejudicial to retail parks means the London Plan does not conform with Paragraph 23 of the National Planning Policy Framework which requires LPAs to 'set policies for the consideration of town centre uses which cannot be accommodated in or adjacent to town centres' We submit that the nature of the retail park business model with its big box format, ground level parking and bulky goods outlets needing deliveries by large lorries is a form of development which is wholly incongruous in a town centre environment and should be accommodated outside.

Additional support for this view is contained in Paragraph 006 of the National Planning Practice Guidance which states, 'It may not be possible to accommodate all forecast needs in a town centre: there may be physical or other constraints which make it inappropriate to do so. In those circumstances, planning authorities should plan positively to identify the most appropriate alternative strategy for meeting the need for these main town centre uses, having regard to the sequential and impact tests.

Damaging Consequences of Policy SD8 A (2) and the Link to H1

Unless changed, these policies will result in the loss of retail parks and warehouse located outside town centres leading to an erosion of the retail services provided for Londoners. This failure to assist retailers to respond to on-line competition by occupying more efficient retail park locations will lead to the following undesirable consequences:-

a) If more retailers close this will result in a poorer service for customers;
b) this deterioration in service would be particularly damaging for Londoners as the city is already underprovided with retail parks floor space by comparison with all other parts of the country;
c) a reduction in floorspace would result in the loss of employment opportunities for Londoners – this would be particularly damaging as the retail park sector offers flexible working opportunities (part time and variable hours) and a wide range of opportunities needing different skills, attributes not available in all London employment sectors;
d) air quality and traffic congestion problems in London will rise as white van deliveries by on-line traders continue to increase;
e) maintaining the existing distribution provision will prove counterproductive as retail park locations form part of the last mile distribution for customers and if this is taken away, it will put even more pressure on an already constrained supply;
f) as retail park and warehouse retailers typically occupy their premises on longer leases, encouragement in the London Plan to replace retail parks with high density housing will generally result in retail parks getting redeveloped at the end of the lease without any consideration to existing use.

Conclusions

The nature of retailing is fundamentally changing and retail parks and warehouses now constitute an important part of a modern retail industry which meets the needs of retailers and their customers. Being able to move to efficient out of centre space is often the difference between a retailer surviving or being forced to close.

Given this, the drive to increase the supply of housing should not be achieved to the detriment of viable retail parks which, given the restructuring taking place, represent a major component of the future of retailing rather than the past. As we say above, loss of floorspace in our sector will result in a number of damaging consequences for London and Londoners.

For all these reasons, we object to Policies SD8 A (2) and the link to Policy H1 and urge a change in strategic retail policy which recognises that providing for future retailing provision now requires a multi-locational approach including retail parks rather than the current solely town centre led one.

AR would be very pleased to discuss our comments with you further.

Yours Sincerely

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