PLANNING FUTURES

A new conversation about planning

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Cian Bryan
Edited by Hannah David
and Jeremy Newmark

OUTER LONDON TOWN CENTRES: A NEW APPROACH

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Executive Summary

Outer London Town Centres

Outer London Town Centres[1] are currently undergoing a series of well-documented changes. As is the case across much of the UK, changing patterns in consumer retail are transforming the nature of trading on the high streets and eroding the importance of town centres as shopping destinations. In Outer London, office space provision is also in decline as a core town centre, and edge of centre, use. Together, these trends constitute a challenge to the very raison d'etre of many of Outer London town centres, which have traditionally depended heavily on these functions as a part of their local economies. Further, the situation in Outer London has been exacerbated as local authorities have struggled to promote new town centre uses to replace those sectors that are in decline.

"Outer London town centres performed worse than their Inner London counterparts... many have shown little initiative"

This introductory report by Planning Futures examines the trends driving current transformations in order to prescribe new ways forward for local authorities and their planning departments as they seek to re-invent their town centres in the face of ongoing change. It presents developments in Outer London within the context of the broader socio-economic circumstances of Greater London. It argues that not only have Outer London Town Centres performed worse than their Inner London counterparts, but also that many have shown little initiative in capturing the benefits of opportunities that they enjoy by virtue of their location within the greater metropolitan region.

[1] This report uses the GLA definition of Outer London throughout.

Strategic visions for Outer London Town Centres

Planning Futures argues that it is time for local authorities in Outer London to take a more visionary approach to planning their town centres: an approach that is more innovative, proactive and participatory. The report argues that local authorities must be more innovative in experimenting with new town centre uses, and make better use of the opportunities they enjoy by virtue of their position within Greater London. There is significant scope for local authorities to create new markets and to foster new industry clusters within the boundaries of their town centres.

"There is significant scope for local authorities to create new markets and to foster new industry clusters"

The report focuses predominantly on the planning process, rather than looking at the need for changes to the planning system itself. It is argued that local authorities already have the tools necessary to take a more proactive role in shaping positive developments within their town centres. This report sets out how these tools can be used more strategically to support vibrant and viable town centres within Outer London.

A strong emphasis is placed on the need for better stakeholder engagement. The research undertaken for this report has revealed that current processes of consultation and engagement are widely perceived to have failed in developing shared visions for town centre development within Outer London. The argument presented here suggests that this situation needs to be urgently addressed in order to deliver better planning outcomes for all town centre stakeholders.

Barriers to more effective planning

The new approach to town centre planning recommended by Planning Futures represents a significant change to the planning process currently in operation within Outer London. Whilst this report does not require any changes to the planning system, it does call for a significant investment in planning as a profession and as a process.

The greatest barrier to delivering this change is consequently financial.

Amongst the key recommendations contained within this report therefore, is that Central Government reaches a new settlement with local authorities on how we fund planning. This report by Planning Futures makes a strong argument for the positive social and economic benefits of innovative, proactive, and participatory planning and calls upon the Government to reach a new settlement to fund planning in the UK.

"This report calls for significant investment in planning as a profession and as a process"

Further research

This report is an introductory report, which does not seek to offer granular solutions to the problems and issues facing each of Outer London Town Centres. Rather, it seeks to outline the more general trends and issues facing these centres, and proposes a new approach to the process of town centre planning for Outer London Boroughs. Planning Futures looks forward to taking up the themes and issues highlighted in this report within future work, looking in more detail at individual town centres and bespoke solutions to the issues that they face.

Planning Futures' key recommendations can be found on Page 18 of this report.

INTRODUCTION

Town centres in Outer London are changing. As is the case across much of the UK, transformations within retail and office markets have triggered a decline in what have long been regarded as core town centre uses. Meanwhile, a difficult fiscal environment for local authorities is challenging their ability to respond adequately to the pace of change, and to nurture their town centres as civic and community hubs. This introductory report by Planning Futures seeks to understand the specific forces that are acting upon town centres within Outer London in order to prescribe a new way forward for local authorities as they seek to plan for the future. It argues that local authorities, through their planning departments, must take a more innovative, proactive and participatory approach to planning their town centres, in order to secure their vitality and viability as the heart of their communities and local economies. It also takes the view that more attention must be given to Outer London Town Centres' place within the broader metropolitan region in order to exploit new opportunities and to foster new town centre uses.

This report is intended as an introductory report, which does not seek to offer granular solutions to the problems and issues facing each of Outer London Town Centres. Rather, it seeks to outline the more general trends and issues facing these centres, and proposes a new approach to the process of town centre planning for Outer London Boroughs.

It should be noted that the report focuses predominantly on the planning process, rather than looking at the need for changes to the planning system itself. This is in part because planning processes – and the interaction between planning stakeholders – have often received insufficient attention within the literature on town centres. However, this approach has also been taken because Planning Futures believes that whilst planning departments often have the planning tools necessary to effectively manage development within their town centres, it has been the planning process that has fallen short in delivering strategic visions for Outer London Town Centres.

1 CONTEXT – TRENDS, ISSUES & OPPORTUNITIES

Several recent reports have drawn attention to the poor health of town centres across the UK[2]. A broad consensus is emerging that suggests our town centres are being transformed by changing patterns in consumer retail and a loss of a variety of traditional town centre uses. Whilst the National Planning Policy Framework (NPPF) asserts the principle that town centres are "the heart of their communities"[3], there is growing concern that many town centres are losing their vitality and viability, and may struggle to survive as vibrant community centres.

Outer London Town Centres are not exceptional in this respect. Patterns of retail spending are being transformed, and many traditional town centre uses are in decline. Indeed, the Third Report of the Outer London Commission argues that town centres in Outer London will "need to re-invent and re-imagine themselves"[4] in the face of changing retail patterns. Countrywide, there has been significant variation in how town centres have fared as a result of these changes. Therefore, to understand how this re-invention and re-imagining might be achieved, it is important to examine the specific trends that are currently driving change within Outer London.

In examining these trends, it must be borne in mind that Outer London Town Centres occupy a unique position by virtue of their location within Greater London and this brings with it its own dynamics, issues and opportunities. Properly understood, these factors can inform unique strategies, which place Outer London Town Centres on a renewed path towards prosperity – revitalising them as the heart of their local communities and contributing towards a strong local economy.

[2] For instance the Portas Review, 2011 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6292/2081646.pdf) and Beyond Retail, 2013 (http://policy.bcsc.org.uk/beyondretail/docs/BeyondRetail2013.pdf)
[3] National Planning Policy Framework, 2012 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)
[4] Outer London Commission, Third Report, 2014 (https://www.london.gov.uk/sites/default/files/OLC-Third-report-8jul2014_0.pdf)

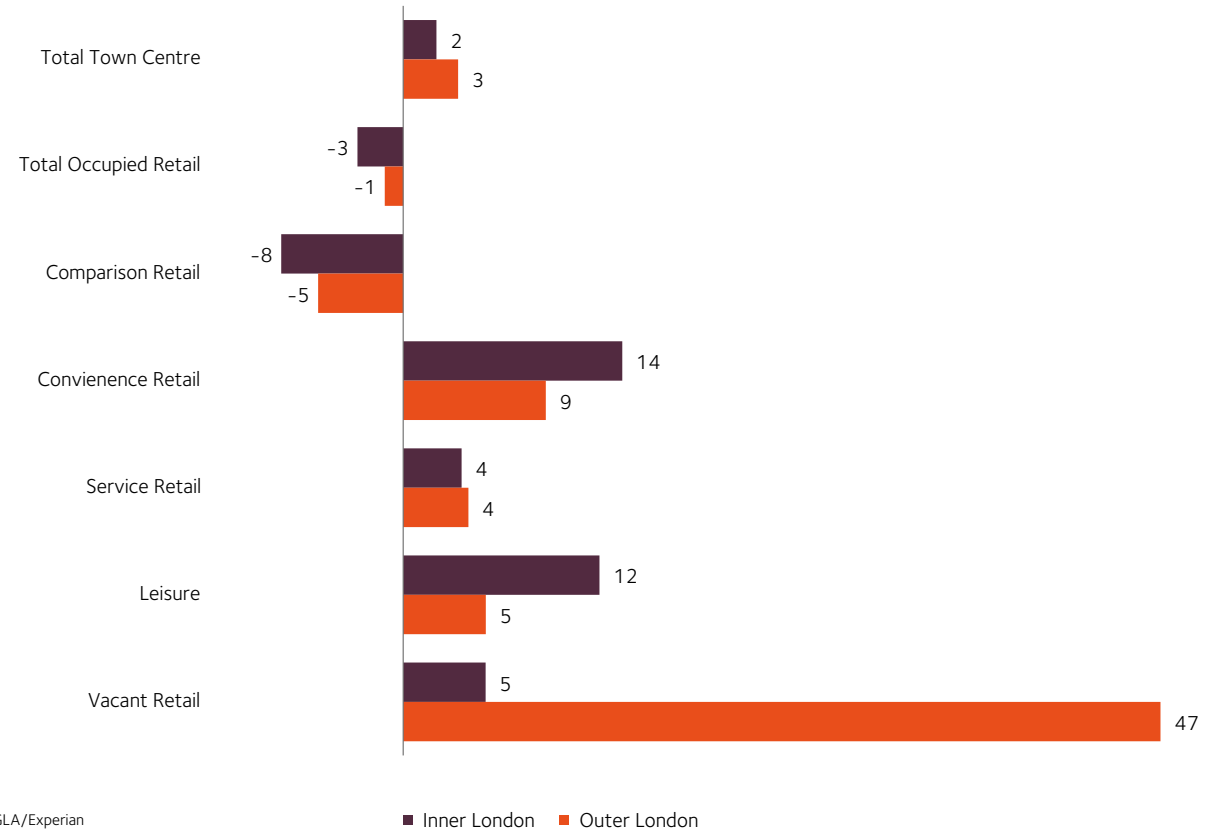
CHANGING PATTERNS IN RETAIL

In many ways, Outer London Town Centres are facing the same challenges to their local retail markets as many town centres across the country. Consumer retail in the UK is currently undergoing a series of well-documented transformations. It has been widely argued that the increasing popularity of new forms of multichannel retail and out of town shopping centres are driving significant change on the high street and within our town centres. The Office for National Statistics (ONS) has recorded a consistent rise in online retail over the past decade[5]. This trend has been greeted with trepidation by several reports – most famously, the Portas Review in 2011, which argued that the move to online retail poses a serious threat to the well-being of our high streets. Further, the evidence suggests that where consumers continue to shop in "brick-and-mortar" stores, they are showing an increased preference for larger, out of town shopping centres, where ease of parking and a greater diversity of retail offer are seen as key attractions.

Of particular note is the decline in comparison goods space retail within our town centres as shoppers look to multichannel/online retail when purchasing items such as books, clothing and other non-food items. In many areas this has led to a reduction in the overall town centre floor space dedicated to comparison retail, with an increased dependence on convenience retail and an overall increase in vacant retail floor space. These trends have triggered concerns that the diversity of the town centre offer is being undermined and that the decline in town centre retail has paved the way for an increase in undesirable and negative town centre uses such as betting shops and perceived low quality retail outlets.

The situation within Greater London to some extent mirrors what is happening across the rest of the UK. Data gathered on floor space use within London's town centres for the 2009 and 2013 GLA Town Centre Health Checks[6] gives some indication of the changing patterns of retail within the Capital. Whilst there was a modest increase in total available town centre floor space across Greater London between 2007 and 2012, both Inner and Outer London saw a significant decrease in their total comparison goods retail floor space. As *figure 1* demonstrates, the gap left by declining comparison retail has to some extent been filled by an increase in convenience and service retail and by an increase in town centre leisure uses. However the latter have not compensated fully for the former and there was an overall increase in vacant town centre retail space during the same period.

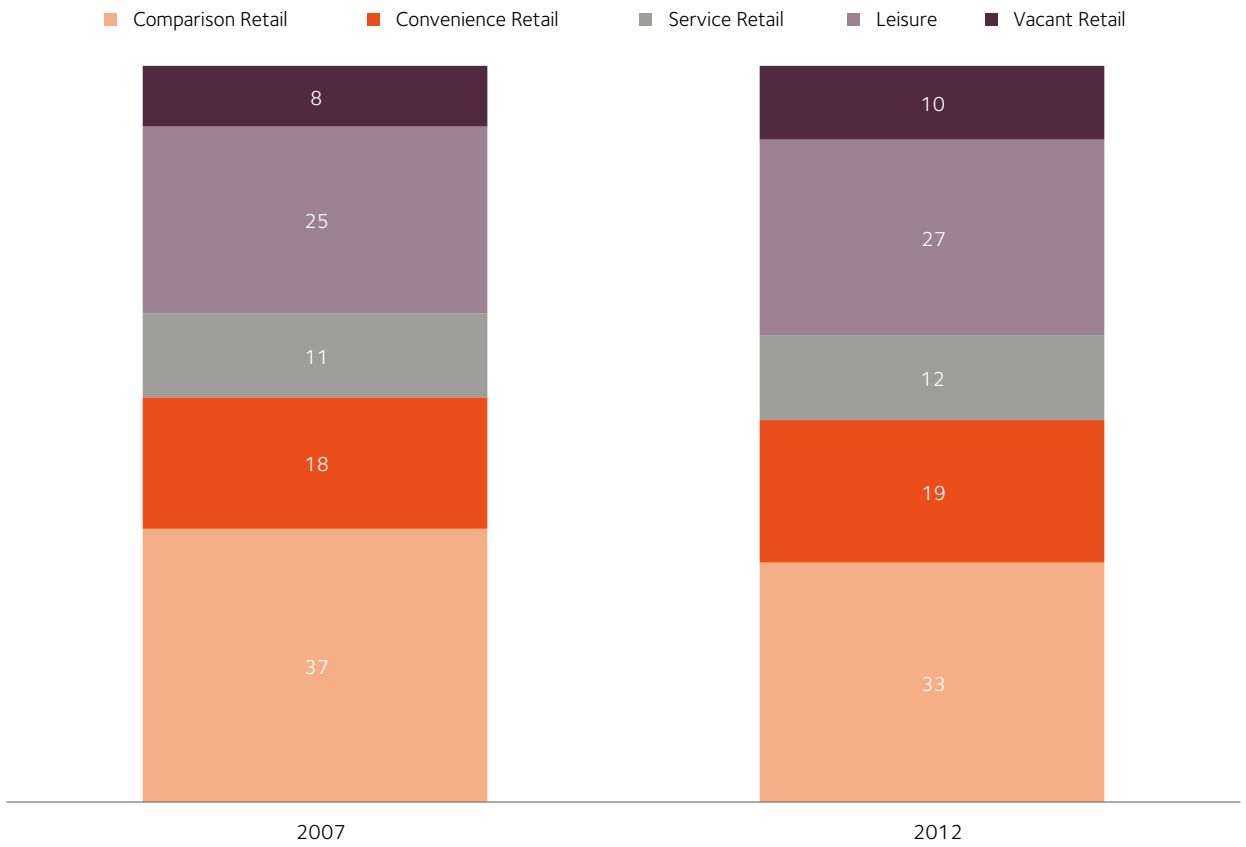
Figure 1 **Total Change In Town Centre Floor Space 2007-2012 %**



Source: GLA/Experian

[5] Office for National Statistics (http://www.ons.gov.uk/ons/rel/rsi/retail-sales/december-2014/sty-overview-of-internet-retail-sales-in-2014.html)
[6] GLA/Experian. See Appendix A for notes on source data and methodology.

Figure 2 **Average Town Centre Retail Mix, Greater London %**



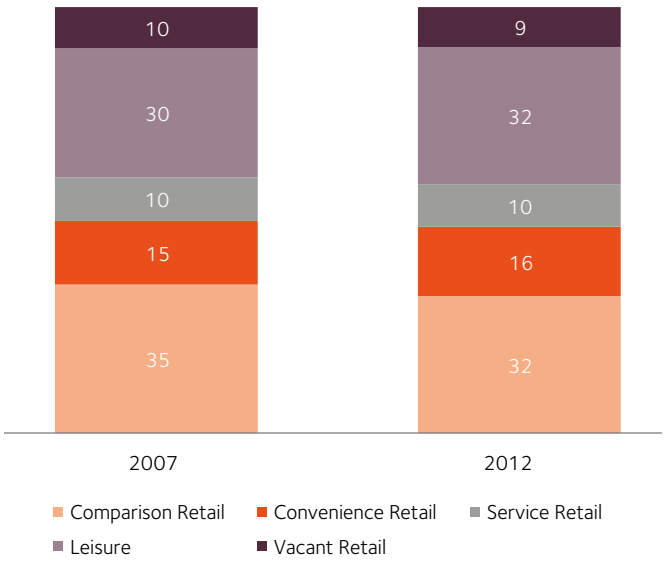
Source: GLA/Experian. Due to rounding, not all bars add up to 100%.

Figure 3

Average Town Centre Retail Mix, Outer London %

Source: GLA/Experian. Due to rounding, not all bars add up to 100%.

Average Town Centre Retail Mix, Inner London %



Source: GLA/Experian. Due to rounding, not all bars add up to 100%.

Figure 2 illustrates the effect of these changes on the overall town centre mix across Greater London. This shows an average 4% decrease in comparison retail as a proportion of the total town centre area, with modest increases in the proportion occupied by convenience retail (1%), service retail (1%) and in leisure uses (2%). There was also an average increase of 2% in the proportion of vacant retail space within town centres across the Capital between 2007 and 2012.

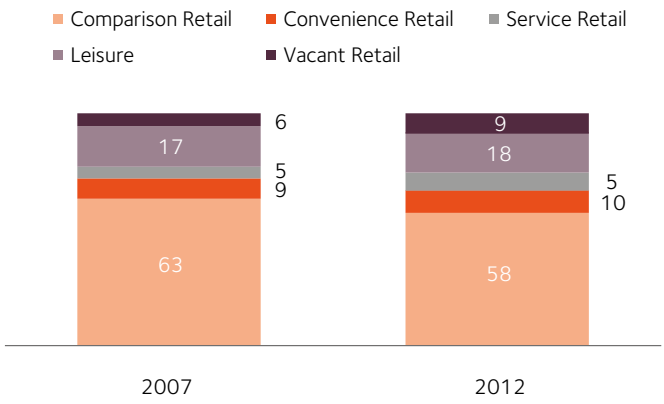
Taken in isolation, these headline figures do not necessarily pose cause for concern. However, the general good health of Greater London's town centres to some extent obscures the challenges faced by those within Outer London. *Figure 1* demonstrates that whilst Inner London's town centres saw an increase of only 5% in total vacant retail space between 2007 and 2012, vacant retail space increased by an astounding 47% across Outer London Town Centres. *Figure 3* shows that where Inner London saw an average drop in comparison retail of 3% as a proportion of total town centre space, Outer London saw a drop of 5%. The proportion of vacant retail space increased by an average of 3% in Outer London whilst actually falling by an average 1% within Inner London.

These figures show a stark difference in outlook for town centres in Outer London when compared to their Inner London counterparts. The decline in comparison retail is particularly worrying as Outer London Town Centres show a greater reliance on this sector than those located within Inner London. As illustrated in *figure 4*, this dependence is particularly pronounced amongst metropolitan town centres within Outer London. These are Outer London's largest centres, and in 2007 contained an average proportion of 63% comparison retail amongst town centre uses. Between 2007 and 2012, these centres saw an average reduction of 5% in comparison retail as a proportion of their total retail floor space.

The data clearly demonstrates that the trends affecting Outer London Town Centres represents a change in retail that is both more dramatic and more rapid than any changes faced by Inner London's Town Centres. The view amongst planning professionals and other experts in London, suggests that the increasing popularity of out of town centre shopping has had a particularly profound effect on Outer London Town Centres. Over the period from 2007 – 2012, the retail mix within Inner London's town centres remained more stable and the overall increase in vacancies was far more modest than that experienced by Outer London Town Centres. This is in some way to be expected, as the shopping centres of Central London in particular remain an attractive destination for local, national and international shoppers. A greater focus on leisure uses may also be a factor in the resilience of Inner London town centres when compared to those within Outer London. Whilst every town centre is ultimately different, the data clearly shows that Outer London Town Centres are in general seeing a decline in the role played by retail within their town centres and are falling behind their counterparts within Inner London.

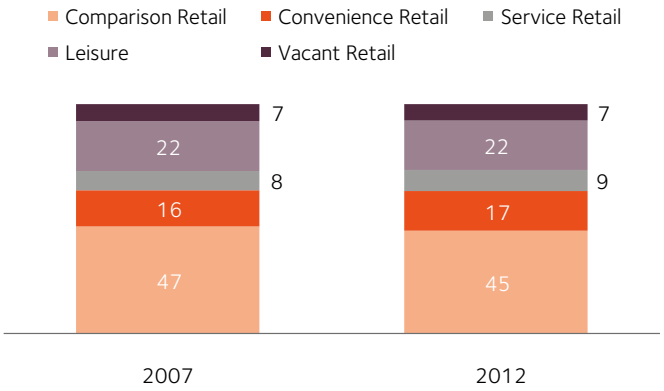
Figure 4

Average Retail Mix, Outer Metropolitan Centres %



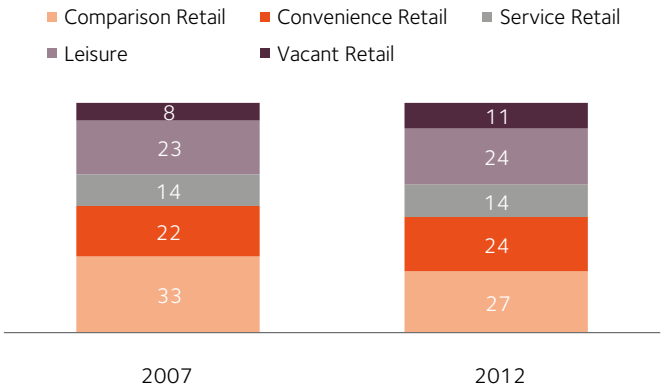
Source: GLA/Experian. Due to rounding, not all bars add up to 100%.

Average Retail Mix, Outer Major Centres %



Source: GLA/Experian. Due to rounding, not all bars add up to 100%.

Average Retail Mix, Outer District Centres %



Source: GLA/Experian. Due to rounding, not all bars add up to 100%.

Many of Outer London Town Centres are clearly experiencing a shock to their economic ecosystems as the once prominent role of retail recedes as a core town centre use. Whilst some have continued as important retail centres, many more face a difficult retail environment, which demands a careful response from local authorities and their planning departments. Where retail is in decline, local authorities will need to build comprehensive strategies to ensure that new town centre uses are introduced, and that the remaining retail market is consolidated spatially. Changes in retail do not mean that retail is set to disappear entirely from Outer London Town Centres. As the retail market changes in its form, planners must ensure that the area of town centres dedicated to retail are of an appropriate size and condition. For areas in which retail continues to remain strong (or has the potential to) Local Authorities must find ways to support it.

OFFICE SPACE PROVISION

Traditionally, office space provision has formed an important part of the town centre offer within Outer London. Beyond the direct benefits of offices to the local economy, footfall generated by offices within the town centre and in edge of centre locations can help to support local trade and contribute to the overall vitality and viability of town centres. The evidence, however, suggests that office space provision in Outer London is in decline. The London Office Policy Review (LOPR) 2012 notes that even "prior to the credit crunch, Outer London performed dismally in office market terms ... despite the more general context of strong economic growth and corporate expansion during this time"[7]. The LOPR argues that during the 60s, 70s and 80s Outer London office centres provided valuable back office functions for firms operating within central locations. However as the nature and organisation of office work has changed, the importance of Outer London in providing back room office support has dwindled.

Figure 5 illustrates the remarkable difference in trends of office space provision between Inner and Outer London between 2000 and 2012. Whilst Inner London saw an increase of 16% in its total office floor space, the situation remained stagnant in Outer London where the Valuation Office Agency (VOA) actually recorded a 1% fall. Some caution should be taken in interpreting these figures, as several Outer London Boroughs have continued to support a vibrant office sector, whilst certain Inner London Boroughs have also performed poorly. Nevertheless, *figures 6* and *7* clearly show that many of the weakest preforming Boroughs in terms of office space provision are located within Outer London, with the highest growth in office space seen within the City of London and Tower Hamlets. Indeed of the 13 Boroughs that have lost office space over the period 2000 – 2012, 11 are located within Outer London[8].

Figure 5 **% Change In Office Floor Space 2000-2012**

Source: GLA/Experian

The decline in office space provision within Outer London Town Centres presents two distinct challenges for local authorities and their planning departments. In the first instance, the loss of office space – and office workers – pose a threat to the vibrancy and vitality of town centres. To take their place, new town centre uses must be accommodated that can in some way offset this decline. In the second instance, local authorities must carefully manage how and where the current office stock is to be converted to other uses. Sporadic and uncontrolled conversions of office space throughout the town centre could damage their spatial integrity.

Recent developments at the national level, however, pose a challenge to local authorities on both counts. In 2013 the Government introduced Permitted Development rights for office to residential conversions on a temporary basis for two years. In 2015 these Permitted Development rights were introduced as a permanent measure, enabling developers to convert existing office stock into residential developments without the need to seek planning permission. Whilst the effects of this policy will not be seen in the VOA data presented here, which stops at 2012, there is widespread concern that such Permitted Development rights will both undermine local authorities' ability to manage the location of new office conversions and the replacement uses of former office stock. For instance, a recent report by *London Councils*[9], argues that "Greater London has been particularly affected by the introduction of Permitted Development rights" and that "in Outer London in particular, a critical mass of office accommodation is being lost, reducing the viability of economic centres".

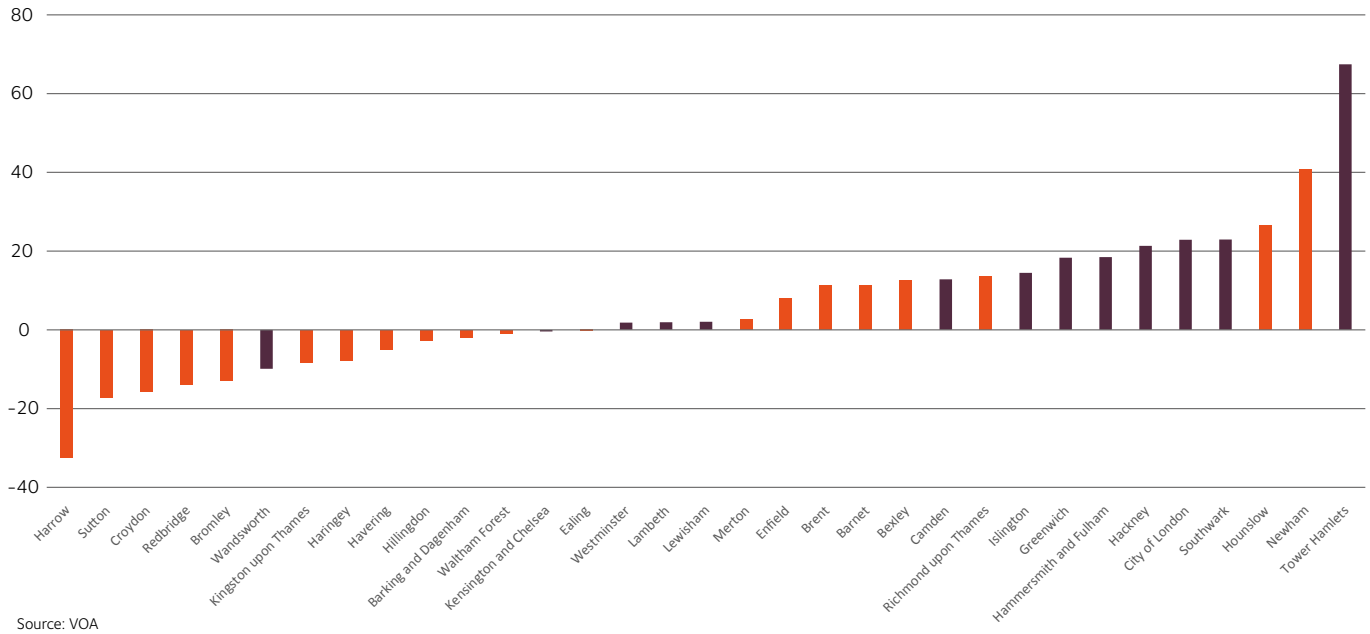
The crux of the problem arises from the fact that housing is becoming more profitable than office space provision. As developers and property owners have a financial incentive to convert existing office stock into housing, Permitted Development

[7] The London Office Policy Review, 2012 (https://www.london.gov.uk/sites/default/files/archives/LOPR%25202012%2520FINAL%2520REPORT.pdf)
[8] The data supplied by the VOA is borough wide, but it is reasonable to assume that whilst some of this loss has occurred within out of town office centres, these trends have also had a profound effect on Outer London Town Centres.
[9] The Impact of Permitted Development Rights for Office to Residential Conversions: A London Councils Briefing, 2015 (http://www.londoncouncils.gov.uk/our-key-themes/housing-and-planning/permitted-development-rights-offices/impact-permitted)

rights remove control from local councils over where these conversions take place. This can have a knock-on effect on town centres in terms of footfall and ultimately on their viability. Whilst many of Outer London's Boroughs face serious housing shortages, and there is a good arguments to suggest that some of the shortfall can be made up within town centres, this needs to occur on a controlled and strategic basis. Local authorities must be able to plan for the decline in their local office markets in a way that allows them to compensate for the loss in office space provision as a town centre use, whilst also addressing any housing shortfall. They must also be able to determine the areas within their town centres and edge of centre locations where offices are of strategic importance and must be protected.

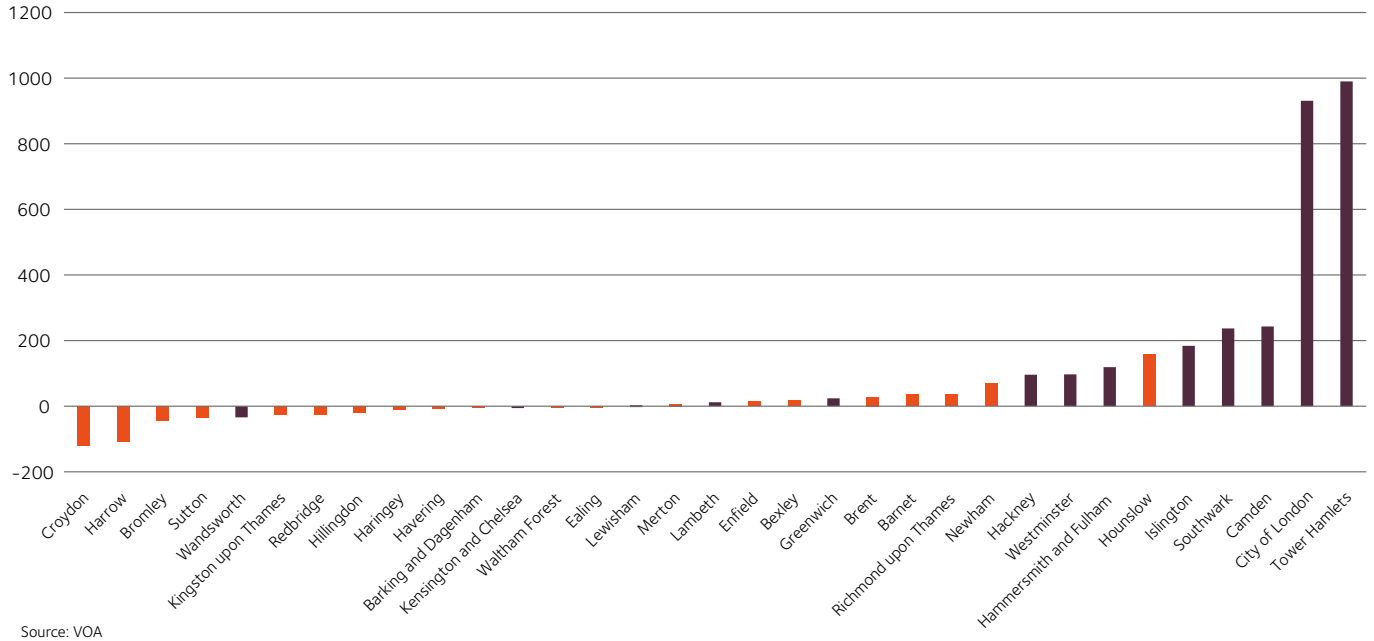
In those of Outer London Town Centres in which the office market is in decline, local authorities face a serious challenge in managing this decline in a manner that protects the integrity of the town centre offer.

Figure 6 **% Change In Office Floor Space Provision By Borough 2000 – 2012 (Outer London Boroughs Highlighted In Orange)**



Source: VOA

Figure 7 **Change In Office Floor Space Provision 1000m² 2000 – 2012 (Outer London Highlighted In Orange)**



Source: VOA

COMMUNITY FUNCTION

The NPPF recognises "town centres as the heart of their communities", and places a duty on local authorities to "pursue policies to support their viability and vitality[10]." Outer London Town Centres have throughout their history functioned as important community hubs. As the nature of town centre use continues to be transformed, local authorities within Outer London must ensure that their town centres continue to serve as spaces that support and enrich the lives of the entire community. The data presented here, however, shows that retail and office space provision can no longer be relied upon to support town centres in Outer London as community centres.

There have been some calls for the gap left in the wake of the decline of these traditional functions to be filled with enhanced civic and community uses. However, this too may prove challenging within the current environment. Relocating existing services to town centres could prove costly and this may be a burden that local authorities are unwilling or unable to bear in the current climate of retrenchment and austerity. Indeed, many local authorities have been closing town centre facilities, such as libraries, as part of their efficiency savings. Whilst some local authorities within Outer London have done better than others in regard to community provision, it must be concluded that these town centre uses are also under threat and a loss of these services are a further factor in the decline of many of Outer London Town Centres.

Outside of local service provision, there are broader concerns about the overall quality of the public realm within Outer London Town Centres. One report has claimed that many of Outer London Town Centres show "major deficiencies in the quality of their public realm"[11]. Whilst the Outer London Fund has had some positive impact on this situation, there will need to be a concerted effort on the part of local authorities to ensure that their town centres can remain attractive places that can functions as destinations in themselves.

CULTURE AND THE CREATIVE INDUSTRIES

The decline in retail and office space provision within Outer London Town Centres is of particular concern because of the prominent historical role that they have played within their local economies. Arguably, the challenge facing town centres in Outer London is particularly great because many of the strengths associated with London as a leading world city spring from functions that are centred within Central and Inner London Boroughs. Whilst certain functions, such as those associated with the financial services, find their natural home within Central London, others may provide Outer London with new opportunities for growth. However, traditionally Outer London Town Centres have not shown little initiative in capturing the benefits of their position within Greater London beyond providing suburban housing for workers employed within the central activity zones.

This issue is perhaps best exemplified by a clustering of cultural functions within Central and Inner London. Whilst many of Outer London Town Centres once had their own theatres, and a much broader range of local cinemas, in recent decades these have tended to be clustered much more heavily within Inner London's Boroughs. The Inner London Boroughs are also much better served with high quality museums and galleries and play host to a vibrant creative industry that is almost completely absent within many Outer London Boroughs. This has resulted in a situation in which town centres in Inner London have a far more diverse offering than their Outer London counterparts.

This analysis is borne out in several recent studies on the creative and cultural industries in Greater London. The recent *Artists Workspace Study*[12] undertaken for the GLA, recorded no artist studios at all within the Outer London Boroughs of Barking and Dagenham, Barnet, Bexley, Enfield, Havering and Richmond, and recorded fewer than ten in Croydon, Harrow, Hillingdon and Redbridge. Although the methodology of this study may need closer examination, it recorded a starkly contrasting situation within Inner London where Boroughs such as Hackney, Tower Hamlets, Lewisham and Southwark, each of which had in excess of 500.

A map accompanying the GLA's report, London's Grassroots Music Venues: Rescue Plan[13], demonstrates that, whilst many such venues are under threat within Inner London, their provision is still far greater within Inner London than within Outer London.

These are just two examples, which illustrate a more general imbalance between Inner and Outer London in terms of the cultural sector. In many ways this constitutes an understandable difference between the core and the periphery of a large city-region such as London. The critical mass of cultural functions within Inner London, makes it a more attractive location for young artists and for those wishing to establish new cultural ventures, such as galleries and music venues. However, the standing of Greater London as a great capital of art and culture, may present an opportunity for Outer London Town Centres. As high rents threaten the viability of cultural industries within Inner London, Outer London Town Centres may be able to capture a portion of this market as they seek to revitalise and reinvent themselves.

[10] National Planning Policy Framework, 2012 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)
[11] Artists Workspace Study, 2014 (https://www.london.gov.uk/sites/default/files/Artists%20Workspace%20Study_September2014_revA_web_0.pdf)
[12] Over the Edge, 2009 (http://www.westlondonalliance.org/WLA/wla.nsf/Publications/WPB-248/$file/081021-town-centres-repfinal-web.pdf)
[13] London's Grassroots Music Venues: Rescue Plan, 2015 (https://www.london.gov.uk/sites/default/files/London%E2%80%99s%20Grassroots%20Music%20Venues%20%E2%80%93%20Rescue%20Plan%20%E2%80%93%20October%202015.pdf)

THE CHALLENGE

The evidence clearly indicates that Outer London Town Centres are undergoing a period of transformation. Structural changes within the retail and office markets have the potential to drive enormous change, and in many cases are already undermining the vitality and viability of town centres. Therefore, local authorities and their planning departments must act strategically to manage this transformation, in order to minimise negative effects and to reposition their town centres at the heart of their communities and local economies. In order to achieve this, they must endeavour to protect viable economic activity and establish new town centre uses to fill the gap left by the decline in more traditional uses. They must seek new opportunities and take better advantage of their position within Greater London to do so. All of this needs to take place at a time when local authorities are facing significant financial constraints.

2 STRATEGIC VISIONS FOR OUTER LONDON TOWN CENTRES

The trends and issues discussed in the previous chapter feed into a challenging and complex outlook for the future of Outer London Town Centres. Planning Futures argues that it is time for Outer London Boroughs to take a more innovative and proactive approach to shaping the future of their town centres in order to secure their vitality and viability.

There are many and varied stakeholders who have an interest in town centre development, and who should participate in the development process – local, regional, national and international businesses, specific community groups and members of the broader community, charities and not for profits, the planning profession, regional and national Government and local authorities themselves. It is, however, only local authorities who can bring these stakeholders together in order to forge a new and shared vision for each and every one of Outer London Town Centres. Further, local authorities are best placed to take an overarching strategic view of their town centres and implement plans on a sufficient scale to generate new town centre functions and create new markets within their boundaries.

The previous chapter outlined some common drivers of change within Outer London, however, it must be remembered that each town centre is unique. Each town centre will have its own strengths and weaknesses, and will serve a community with its own unique needs and desires. Whilst there is much that can be learned from best practice cases, each town centre will require a bespoke strategy in facing challenges and creating new opportunities. It is therefore neither practical nor desirable to follow a "one size fits all" approach.

In what follows, Planning Futures will focus on the ways in which local authorities and their planning departments should develop their planning processes in order to plan in a more innovative, proactive and participatory manner for the future of their town centres.

A MORE INNOVATIVE APPROACH TO TOWN CENTRE PLANNING

The changes brought on by transformations in Outer London's retail and office markets demand an innovative reaction from local authorities. The shift towards out of town centre shopping and multi-channel retail is unlikely to be reversed (nor should this necessarily be seen as desirable in the majority of cases). Reinvigorating Outer London's office market, whilst not impossible, could prove to be an enormous task – requiring considerable strategic, coordinated planning. Many town centres may benefit from a renewed office market, but it may not be practical for all town centres to pursue such strategies. Local authorities, through their planning departments, should therefore create strategies for their town centres that build on existing strengths and look to create and harness new opportunities, which may or may not include strategies for growth in office and retail uses. In the majority of cases this will involve experimentation with new and innovative town centre uses to replace uses that are in decline. It should also include careful consideration of each town centre's place within the broader metropolitan region – seeking to become more competitive within Greater London.

In the first instance, local authorities must look to existing local businesses within their town centres, establishing where their current strengths lie. Research undertaken by Planning Futures indicates that many local authorities across London have a poor understanding of the local business environment and the value that they add to their town centres. Planning departments must therefore do more in terms of researching the local economy and work to nurture better relationships with local businesses. Where local business is contributing to the vitality of the high street, local authorities and their planning departments should actively seek to nurture and promote their work. This is particularly true in cases where local specialisms exist. Such clustering should be actively nurtured and promoted through the planning system to encourage further growth. Planning departments should also work with other local authority departments – especially marketing and PR departments – in order to sell any competitive edge that their town centres have within a particular sector and to attract new schemes appropriate to nurturing existing business.

As town centres seek to re-invent themselves, they should also look to create new markets in order to support new town centre uses. As explored in the previous chapter, by virtue of their location within Greater London, Outer London Town Centres have opportunities available to them that they have not exploited fully in the past. Viable town centre uses will of course vary depending on the scale, location, and accessibility of any given town centre as well as its existing economic condition. However careful positioning could help to bring new opportunities to town centres of all classifications. This will have to be carefully researched on a case by case basis, yet there are some obvious areas where Outer London could nurture new functions that contribute greatly to the Greater London economy, but are increasingly under threat within Inner London.

Several recent reports[14] have highlighted the importance of new and flexible forms of work space for small and medium sized enterprises, and in particular for start-up firms. As the nature of office work changes, the role of facilities such as incubator spaces and co-working spaces is becoming ever more important. Whilst the firms who use these spaces play a significant role within Greater London's economy, high costs within Inner London are increasingly providing barriers to growth. As noted in the previous chapter, there is also concern about the impact that high rents pose to the creative industries within London. Makers' spaces and artists' studios are under threat – putting in jeopardy the contribution that this sector makes to the broader economy and constraining future growth.

Where possible, Outer London's Boroughs should look to carve out a niche within the broader London economy for each of their town centres, across all classifications. SME's and start-up firms – in the creative industries or otherwise – are attracted to Central and Inner London because of the benefits of critical mass and industry clusters there. They are therefore unlikely to relocate to town centres in Outer London organically. However if Outer London Boroughs can deliver schemes that promote new industry clusters that are focused on new specialisms they may, subject to offering lower costs, be able to attract significant interest from firms currently looking to Inner London locations.

A MORE PROACTIVE APPROACH TO TOWN CENTRE PLANNING

The challenge faced by Outer London Town Centres should not be underestimated. The innovative approach called for in this report will need to be supported by the proactive use of existing planning tools if the fortunes of town centres are to be transformed. In the first instance, this will require local authorities, through their planning departments, to put in place a strategic plan for each of their town centres. Data collected by the GLA in 2012, however, indicated that only 24% of town centres within the Outer London Boroughs had a town centre strategy in place at that time. Whilst 89% of Metropolitan Centres had a town centre strategy in place, this fell to 29% for Major Centres and only 17% for district centres (*see figures 8 & 9*). It is therefore important that each local authority put in place a town centre strategy for town centres of all classifications.

Planning Futures argues that these strategies should be informed by detailed research on the strengths and weaknesses of each town centre, and prepared in close cooperation with all town centre stakeholders. They should project a clear action plan to manage any decline in traditional town centre uses, whilst providing a detailed vision for new and innovative town centre uses. In a time of austerity and retrenchment such strategies should also be sensitive to market condition and make a strong business case for any proposed new uses. With these strategies in place, planning departments should work in close cooperation with other local authority departments to ensure their delivery. Whilst the scale of the challenge facing Outer London Town Centres is considerable, local authorities and their planning departments have a range of planning tools available to them that, if used effectively, can deliver the innovations needed to revitalise their town centres.

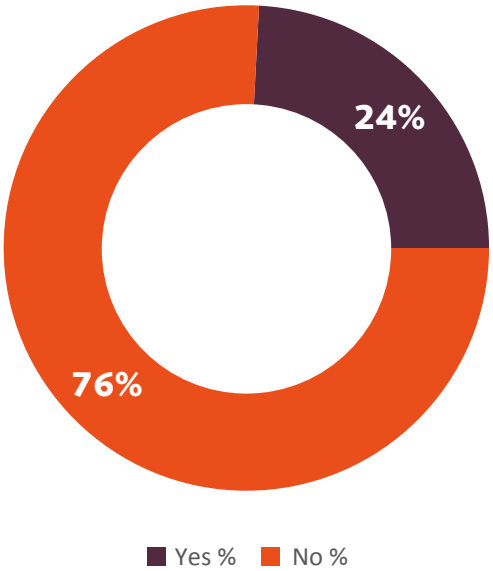
TEMPORARY USES

In areas experiencing particularly high vacancy rates, local authorities may wish to consider issuing planning permissions for temporary town centre uses. Pop-up spaces are becoming increasingly popular destinations within town centres across London, and can provide valuable opportunities for start-ups within the food industry and within the creative industries. Ventures such as Pop Brixton – in Lambeth – have proved to be popular destinations in their own right, and similar schemes could help in increasing footfall and trade within Outer London Town Centres in the short to medium term. Planning permission for temporary uses have also nurtured other uses such as artist studios and maker spaces – for instance in Peckham where a disused car park is to house 50 artists' studios on a temporary

[14] Outer London Commission, 2014 (https://www.london.gov.uk/sites/default/files/OLC-Third-report-8jul2014_0.pdf)

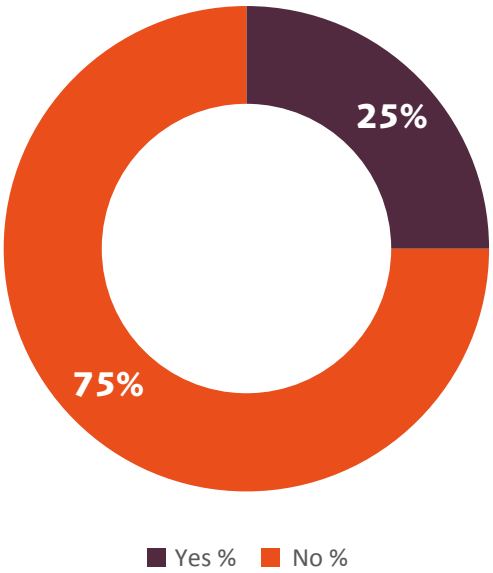
Figure 8

% Town Centres In Outer London With A Town Centre Strategy



Source: GLA

% Town Centres In Outer London With A Town Centre Manager



Source: GLA

basis. Such schemes are adaptable and can be tailored to the local business environment. Local authorities within Outer London could use such schemes to build on existing town centres and to experiment with new town centre uses. Such schemes also have the advantage of quickly filling vacant town centre space – and can return a profit for local authorities in cases where they own the land used.

DEVELOPMENT MANAGEMENT

The changes brought about in Outer London Town Centres by the decline in their retail offer needs to be carefully managed. Indeed the Outer London Commission has found that the Boroughs themselves recognise that this "contraction needs to be managed in a coordinated manner"[15]. As already mentioned, the introduction of Permitted Development rights pose a challenge to local authorities looking to manage the changes within local office markets. Whilst this is becoming more difficult for local authorities and their planning departments, they still retain the option of using Article 4 Directions to prevent unwanted uses on town centre sites of strategic importance. These directions should be used in a targeted and efficient manner to deliver the aims and objectives of town centre strategies in protecting viable existing uses and in nurturing new uses. Where Article 4 Directions can be used to prevent unwanted developments and conversions, local authorities should also make more use of Local Development Orders (LDOs) to encourage desirable town centre uses in other areas. LDOs operate by removing the need for planning permission for certain town centre uses and could be used to encourage developers to develop desirable town centre uses in line with town centre strategies.

COMPULSORY PURCHASE ORDERS (CPOs)

Innovation, and the creation of new markets as advocated in this report will ultimately require bold action by local authorities and their planning departments. It has been noted that local authorities can play an important role in town centre regeneration through site assembly, by exercising their compulsory purchase order (CPO) powers. This should become an increasingly common practice as planners in Outer London seek to deliver more innovative and proactive town centre strategies.

PARTNERSHIP

Partnerships with community groups, local businesses and ventures such as Business Improvement Districts (BIDs) can be of significant help in revitalising town centres. Planning departments should work with other local authority departments to identify partnership schemes that can help to develop new and existing strengths within town centres in Outer London. In times when councils are under considerable financial pressure, partnerships between local authorities and other groups can be used to develop schemes that the local authority themselves cannot afford to

[15] Outer London Commission, 2014 (https://www.london.gov.uk/sites/default/files/OLC-Third-report-8jul2014_0.pdf)

develop. This may be particularly useful in nurturing existing town centre specialisms and in creating new industry clusters to replace town centres that are in decline.

COMMUNITY INFRASTRUCTURE LEVY (CIL)

Whilst there is considerable controversy regarding the introduction of the Community Infrastructure Levy, properly applied, it can provide a financial support for the physical regeneration of town centres. Local Authorities should work towards a regime of CIL contributions that contributes to the restoration of the Public Realm thereby strengthening local communities, whilst also nurturing an improved business environment.

A MORE PARTICIPATORY APPROACH TO TOWN CENTRE PLANNING

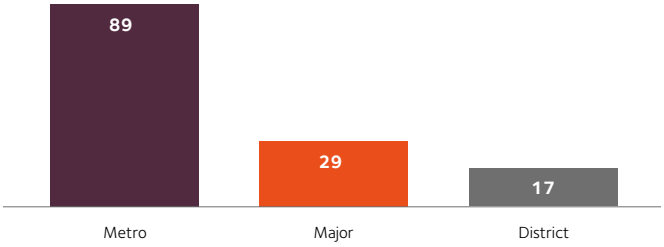
In order to deliver more innovative, proactive planning, Outer London's Boroughs must improve their processes of community and stakeholder engagement. The research conducted by Planning Futures for this report indicates that current processes of engagement leave a lot to be desired. Beyond the perception that local authorities have a poor understanding of local businesses, there are claims that the broader community is not appropriately engaged in the planning process. Engagement and consultations – both in preparation of local plans and in granting individual permissions – have been characterised by a broad range of stakeholders as often being superficial and occurring too late within the planning process. This should be of great concern to local authorities, not least because of the important function that town centres are expected to play within the life of the community. Without proper stakeholder engagement it will prove impossible to design town centre strategies that serve the real needs of the community, and there will be an increased risk of conflict between community groups, businesses and the local authority as they progress their respective ends.

In planning for the future of Outer London Town Centres, local authorities should therefore seek to reform their processes of community engagement and consultation in order to make them more participatory. Those interviewed for this report suggest that this should include developing deeper, long-term connections with community groups and local businesses, which are maintained over time. Where possible, they should consider new forms of engagement, and make more extensive use of town hall meetings and online surveys to build up a stronger picture. Research undertaken by Planning Futures also suggests that in re-examining their engagement processes, local authorities should also experiment with new methods – incorporating elements such as co-design.

Engagement and participation should be seen as a central element in the planning process. There is much that local authorities can learn about their town centres through building up a strong relationship with the local community and local businesses. The planning process within Outer London is often characterised by conflict. By bringing stakeholders together in creating a shared vision for their town centres, local authorities could do much to reduce the conflict, which often brings development to a halt, and delivers sub-optimal outcomes for all concerned.

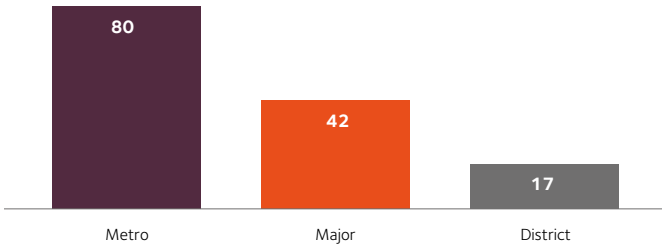
Figure 9

% Town Centres With A Town Centre Strategy By Classification



Source: GLA

% Town Centres With A Town Centre Manager By Classification



Source: GLA

3 BARRIERS

The vision outlined in the previous chapter speaks to the need for, and merits of, a more innovative, proactive and participatory approach to planning Outer London Town Centres. The research undertaken by Planning Futures, however, suggests that there are a number of considerable obstacles to delivering improvements in these areas. Effective planning is, above all else, a process that takes time and full engagement from all relevant stakeholders.

PLANNING RESOURCE

The research undertaken by Planning Futures found that by far the most considerable obstacle to implementing strategic visions for Outer London Town Centres is a direct consequence of from a lack of resourcing within local authority planning departments. It was widely acknowledged, by both public and private sector planners, and non-planning stakeholders, that planning departments face serious resourcing issues in delivering more innovative, proactive and participatory planning for Outer London Town Centres. There was a broad concern about the overall capacity of planning departments to expand their activities in the manner suggested in the previous chapter. The demands of preparing local plans, assessing permissions and undertaking enforcement work has already left them stretched to capacity in many Boroughs. There was also a concern expressed by all stakeholders that many planning departments lack the necessary skill set and competence amongst their officers to expand their activities – often as a result of difficulty in recruiting and high levels of staff turnover.

These problems of resource are not uncommon and are faced by local authorities across the country. However, if the challenges facing Outer London Town Centres are to be properly addressed, planning departments and the planning process itself will have to receive the investment it needs to in turn make a positive contribution to local economies and local communities. Government at all levels must recognise the economic benefits of good planning, and the role that it plays in creating a strong society and vibrant communities, and they must find ways to fund it.

POLITICAL LEADERSHIP

Strong political champions can play a constructive role in driving the revitalisation of town centres. Council Leaders and Planning Cabinet Members play an important role in setting priorities and creating a positive environment for development within their town centres. However, those interviewed by Planning Futures for this project painted a confused picture of the political dimension in shaping the future of Outer London Town Centres. There was a strong indication that many elected representatives did not have the training or knowledge base to drive positive development within their Boroughs. The highly politicised nature of planning in some boroughs has also meant that some local councillors have been reluctant to make difficult decisions with regard to the future development of their town centres. Whilst there are also examples of excellent political leadership, this needs to become the norm across all Boroughs within Outer London. This is a complex area that demands further research. However, if Outer London Town Centres are to thrive in the future, political representatives will have to do much more to promote positive attitudes to planning and work with stakeholders to deliver a shared vision for their town centres.

FINANCE

The central argument advanced by Planning Futures in this report is that local authorities and their planning departments must transform their processes in order to deliver more innovative, proactive and participatory visions for Outer London Town Centres. However, beyond investing in the planning process itself, the vision presented in this report calls for significant investment in town centres themselves, both in nurturing existing town centres uses and in creating new markets and industry clusters. As local authorities are currently facing serious financial pressure, they must be creative in raising funding, and increase their efforts to attract private sector funding. As already mentioned, partnership may help to overcome financial challenges, however the research undertaken in support of this report suggests that many local authorities need to increase their competence in attracting and negotiating with potential business partners.

4 KEY RECOMMENDATIONS

This introductory report by Planning Futures has argued that Outer London Town Centres are currently undergoing a series of transformations, which demand a strategic response from local authorities. More fine-grained research will be needed to develop detailed strategies for each of Outer London Town Centres, however this report has set out the approach that local authorities will need to take in developing their plans in order to deliver improved future outcomes. Planning Futures believes that the following recommendations should help local authorities deliver a more innovative, strategic and participatory approach to planning town centres within Outer London.

LOCAL AUTHORITIES

1 Introduce comprehensive town strategies across all town centre classifications

Outer London Town Centres are undergoing rapid transformations, which will require a strategic and visionary response from local authorities. Local authorities must put in place strategies for each town centre within their boundaries. These strategies should be based on careful research and should be sensitive to the particular needs of each town centre. They should also put in place a clear plan of action to nurture existing strengths and foster new and vibrant town centre uses.

2 Make better use of existing planning tools

Local authorities and their planning departments have a range of tools at their disposal to manage town centre development and to proactively deliver positive change. These tools need to be used more effectively and in line with clear strategies for Outer London Town Centres in creating new markets, protecting existing town centre uses and in delivering a high quality public realm.

3 Make planning more participatory

In planning for the future of their town centres, local authorities must engage in a more meaningful and comprehensive manner with all town centre stakeholders. This should involve a broad range of engagement methods, and should include new and experimental methods where appropriate. Engagement can deliver shared visions for town centres and resolve conflict within the planning process – delivering better outcomes for all stakeholders. It is therefore an area in which local authorities must invest far more time and money.

4 Provide more mandatory training for councillors

The issue of political leadership within the planning process is complex and demands further research. Nevertheless, the planning process could be greatly improved by increasing levels of mandatory training for elected officials. As community brokers, local councillors can make a positive contribution to the planning process and have the potential to build consensus for innovative local schemes.

GREATER LONDON AUTHORITY

Provide increased financial assistance

The data presented in this report demonstrated an imbalance between Inner and Outer London in terms of the quality and viability of their respective town centres. This is an imbalance that the Greater London Authority (GLA) should seek to address through additional funding. Mechanisms such as the Outer London Fund and Opportunity Areas have been helpful, however there is a clear case for further investment in Outer London Town Centres, which could make a far greater contribution to the Greater London economy.

CENTRAL GOVERNMENT

A new settlement to fund planning

This report has argued for the benefits of innovative, proactive and participatory planning in supporting vibrant communities and revitalised town centres. The single greatest challenge to delivering on this vision springs from the lack of resourcing within planning departments. Already overworked planning departments currently do not have time to expand their activities to meet the demands of visionary planning on the scale suggested here. Whilst there is a strong argument to suggest that local authorities can make more efficient use of their resources by combining resources with neighbouring authorities, planning as a process is likely to require additional investment in order to deliver truly transformative change.

This is an issue that goes beyond the Boroughs of Outer London. Indeed, there has been a long-running debate about the way in which planning should be funded. This report by Planning Futures makes a strong argument for the positive social and economic benefits of innovative, proactive, and participatory planning and calls upon the government to reach a new settlement to fund planning in the UK.

APPENDIX A DATA

The data used to produce the charts for figures 1, 2, 3, 4, 8 & 9 was drawn from the 2009 and 2013 GLA London Town Centre Health Checks. This data was produced by the GLA and Experian and can be found by following the below links. This data was then combined and analysed by Planning Futures in preparation for this report. Where data on individual town centres was incomplete, inconsistent or otherwise unreliable these town centres were excluded from the analysis. For more information please contact Planning Futures: info@planningfutures.org

2013 GLA London Town Centre Health Check
http://data.london.gov.uk/dataset/2013-london-town-centre-health-check-analysis-report/resource/d97a5622-233c-4f6a-9c91-a67329a2841e

2009 GLA London Town Centre Health Check
https://www.london.gov.uk/priorities/planning/publications/london-town-centre-health-check-analysis

The Data used to produce the charts for figures for figures 5,6 & 7 was drawn from VOA data on business floor space and can be found by following the below link. This data was analysed by Planning Futures using the GLA definitions for Inner and Outer London. For more information please contact Planning Futures: info@planningfutures.org

https://www.gov.uk/government/statistics/business-floorspace-experimental-statistics

APPENDIX B ACKNOWLEDGEMENTS

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The conversation about planning has become as stagnant as the planning process itself. It has become artificially polarised, with each "side's" position caricatured as "nimby-ism" or "paving over the countryside".

It is time for an intelligent, open-minded, pragmatic, evidence-based approach to planning issues. The futures of our economy and our communities depend to an ever-increasing extent on new approaches and new ideas for the planning process.

Planning Futures, a new think tank focusing solely on this field, is here to initiate and facilitate that conversation. Independent of political parties, but understanding that politics is at the heart of this discussion, we will bring together politicians and policy makers, members of the business community, planning professionals and community groups at our events; develop important new approaches in our research papers; and empower local communities through access to our resources.

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PLANNING FUTURES
A new conversation about planning

5 Chancery Lane,
London WC2A 1LG

E. info@planningfutures.org
T. 020 7406 7553
Tw. @pfpolicy

www.planningfutures.org

£20.00