

Proposals under the Sustainable Communities Act

Betting Shops

A group of London councils, led by Hackney council, is in the process of putting forward a proposal around betting shops. So far, 14 London councils have signed up to support this proposal but we expect others to sign up too.

The rationale for the proposal is that Hackney has 64 betting shops which is three times the national average for a local authority area. At the same time the borough has areas of significant deprivation and a mapping of the location of these shops reveals that they cluster in the poorer areas of the borough.

For some time the Mayor, councillors and residents have raised concerns about this and there has been frustration on the part of residents at the apparent deficiencies in the planning and licensing regulatory frameworks, which have allowed this over-concentration to occur.

Current legislation and guidance allow councils to have regard to the protection of children and vulnerable persons, and to the proximity of gambling premises to crime hotspots, but they do not allow councils to have regard to the potential detrimental effect of the concentration of gambling premises on the sustainability of a community.

Specific planning permission is not required due to the 'permitted development rights' for betting shops. As betting shops come within the A2 class (of the User Classes Order) this allows them to be considered alongside banks and other financial and professional services. It also enables premises that have an existing A3 (Restaurants & Cafes), A4 (Drinking Establishments) or A5 (Hot Food Takeaways) class to become a betting shop with significant ease. Utilising the existing provision of an 'Article 4' direction requires an application to the Secretary of State and is generally considered to be resource intensive.

The proliferation of betting shops can lead to increased crime, higher levels of gambling addiction in poorer communities, can prevent other forms of shops opening in the area and frustrate local residents who feel they have no say over what happens in their local community.

The specific action Hackney are looking for from government under the Sustainable Communities Act is for betting shops to have a separate and specific user class, thereby ensuring that every planning application will be subject to the Local Authority's individual planning policy and as such allow local circumstances (if applicable) to be catered for.

It is expected that the proposal will promote among residents the sense that they can, through their local council, 'place shape' their local high streets, helping councils to maintain and create distinctive local neighbourhoods where residents can have access to the shops and services they need without having to travel outside their local neighbourhood.

Supermarkets

It has been known for some time that supermarkets have a damaging effect on communities. Over 90% of independent grocers, butchers, bakers and fishmongers have closed, whilst supermarkets have expanded dramatically. Every time a supermarket opens, 276 jobs are lost locally. Whilst fifty percent of the turnover of independent retailers goes back into the local community, just 5% from supermarkets does. There are also considerable environmental costs, with 17 billion portions of fruit and vegetables being left to rot by supermarkets annually, and 6.4 billion non-recyclable carrier-bags given to supermarket customers per year. Car use for shopping results in costs to society of more than £3.5 billion per year, from traffic emissions, noise, congestion and accidents.

In order to address this impact and to try to level the playing field more towards local shops and businesses, a number of councils are considering putting forward a proposal:

“That the Secretary of State gives Local Authorities the power to levy a new local rate of 8.5% on large retail outlets in their area with a ratable annual value not less than £500,000 and the power to use the revenue collected to improve local communities in their areas by promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection.”

We understand that a number of councils are considering putting this proposal forward, including Nottingham and Derby. The proposal also has strong support amongst organisations on the Local Works Coalition.

This policy has already been implemented in Northern Ireland and is providing relief of business rates to small businesses. A few months after the introduction of the scheme Sammy Wilson, the Northern Ireland Finance Minister who had led on introducing the relevant legislation, stated that so far at least 8,000 small businesses were benefitting, and each of those businesses had received a 20% reduction in their business rates. Mr. Wilson is keen for more small businesses to be included over the coming years. It was estimated when the tax was introduced that it would raise an estimated £5m to help small businesses.

Use Classes

During the first round of the Sustainable Communities Act, a number of councils put forward proposals around changing use classes to protect shopping centres. These included Bristol, who requested changes to the Town and Country Planning Act 1990, as amended, the Use Classes (Amendment) Order 2005 and the General Permitted Development (Amendment) Order 2005. In putting forward this proposal, they said:

The New Economics Foundation's Clone Town Britain Report, highlights the dangers of a failure to achieve a balance between multiple retailers and independent retailers, and the consequences that this can have for vitality and viability.

Some changes to the Planning Use Class Order and the General Permitted Development Order could help facilitate the development and maintenance of sustainable and diverse local shopping centres. The suggested changes are as follows:

- a) At present a multiple chain does not need a planning change of use to a shop unit previously occupied by an independent (*to be defined*) retailer. A change in national legislation could require the need for planning permission for such a change, in order to ensure diversity of the retail offer. The Local Planning Authority would need to take into account the following local impacts: vitality, diversity and character of a centre, economy, employment, number of multiples already in the centre and proportion of space already occupied by multiple retailers.
- b) At present planning consent is not required to change the use of a commercial outlet from A2, (financial and professional services) A3, A4 or A5 uses (food and drink outlets - cafes, restaurants, pubs, wine bars etc.) to A1 use (a shop). In Bristol, this has led to a situation where a supermarket chain is able to convert a food and drink outlet into a local convenience store, but does not need planning permission to do this. This will not help to strengthen the vitality or viability of other designated retail centres. Such changes of use could therefore be harmful to the sustainability of local retail centres. A change in national legislation could require the need for planning permission for changes of use from A2/A3/A4/A5 to A1 so that these issues could be considered. It could apply to outlets with a floor area above a minimum size e.g. 100 sq m.

Oxford City Council also put forward a proposal to create a new planning use class. In support of their proposal, they stated:

Recently there have been a number of concerns raised through Oxford City Council Area Committees and local area associations about the need to regenerate and

maintain the diversity of the district and local shopping centres in the City. The main issue is lack of control over those food (either hot or cold) and drink related uses, which involve consumption on the premises, that fall within the A1 retail Use Class and not within A3, A4 or A5.. These pose a threat on the traditional retail units selling comparison goods in our district and local centres. Local people and Members have been asking Planning Officers to help address this problem but the tools are not available to enable them do this.

The proposal is for the Government to create a new Use Class A6 and to take all premises where food and drink is consumed on the premises as a primary activity, and which do not currently fall within Classes A3, A4 and A5 out of category A1. Change of use out of Class A1 would require planning permission.

This in itself however will not address the real issue and concerns of local communities that very successful large national/corporate food and drink related chains, which claim to operate as Class A1 or A1/A3 uses, pose on small local independent food and café related operators. This could be addressed by creating instead two new Use Classes A 6 and A7 to distinguish between them.

Briefing by Local Works (part of Unlock Democracy)