

# Can local authorities still drive town and city centre regeneration?

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It's no secret that our towns and city centres are facing enormous challenges, with the pandemic playing the 'death of the high street retailer' on fast-forward. Simultaneously, a forced shift to home working has created a new outlook on the way we use our office spaces and the amount of time we spend there.

## A shift in policy

Accompanying this, a raft of planning policy changes introduced over the last 12 months has dramatically affected the control local authorities have over changes taking place within those centres, including:

- The creation of a new planning Use Class E which came into force in September 2020. This incorporates a wide range of Commercial, Business and Service uses into a single use class, enabling town and city centre premises to switch between uses without the need for planning consent.
- The creation of new permitted development rights, allowing premises to change their use from the new Class E, to the residential Class C3 (subject to various conditions). As high street stores close at an alarming rate and landlords look to recoup losses and maximise their investments, there may be a raft of applications from 1 August seeking prior approval to convert those units into residential spaces.

The changes are meant to 'revitalise' our centres and there is no doubt that the ability to be flexible in a rapidly changing environment can be important to survival. But the clear concern is that town and city centres that are already struggling are going to be subject to un-coordinated, piecemeal transformation, which ultimately risks further decline.

With the government making it clear that tools for local authorities to modify these new planning policies are going to be restricted (such as a tightening of the use of Article 4 directions to limit permitted development rights), local authorities must re-consider how they can drive change and facilitate regeneration.

## Leading the debate

If town and city centres are going to draw people back in, then they have to be places that people want to come to more than ever, as the need for attendance diminishes in a digitalised age.

What is missing in the government's planning policy changes is a real engagement with regional and local communities as to what they want and need their centres to look like. Local authorities are ideally placed to now lead that crucial engagement and discussion with both public and business, to formulate visions for those centres, which market forces alone are unlikely to produce.

The step change created by the pandemic allows - and perhaps even forces - a bold approach from local authorities to ensure the centre remains a 'destination'. Whilst it's too soon to write off the high street entirely, this may mean accepting significant reductions in retail spaces, increased space for community and leisure activities, increases in well-planned residential provision, the 'greening' and decarbonisation of our centres, and the potential for a move from large centres to multiple enhanced local centres.

Importantly, whilst the market driven trend of recent decades has been for ever increasing homogeneity across our town and city centres, local authorities will now need to find genuinely local solutions to regeneration.

## Leading the change

Strong local planning policy clearly retains a major role in defining new developments. However, in light of expanding Use Classes and permitted development rights, local authorities must now, more than ever, play a key role in co-ordinating and collaborating with landowners to bring forward regeneration.

By creating bold visions for our centres, local authorities can deliver financial value. This may deter some landlords from taking the quick cash option of conversions from retail/office to residential areas. But inevitably, local authorities will also need to increasingly rely on their compulsory purchase powers to bring forward planned regeneration schemes.

At a time of financial constraint for many local authorities, it may be difficult to garner support for expensive regeneration projects. Especially where this may involve writing down the value of their town and city centre assets, and, potentially absorbing increased compulsory purchase costs where valuations take into account residential permitted development rights.

However, incentives such as the Levelling Up funding, combined with the long-term risk of falling business rates means that the potential, and need, for bold change cannot be ignored. This process will be easier to achieve when residents and local businesses actively collaborate to define a vision for the future.

## Get in touch

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