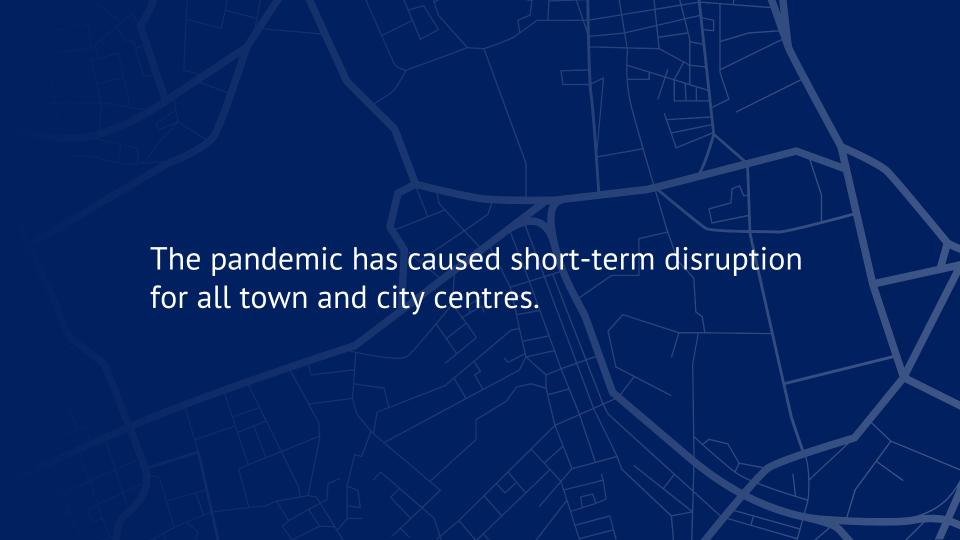
High Streets vs Use Class E

association of town & city management

By Ojay McDonald, CEO, ATCM For the National Planning Forum, 23rd Feb 2021 ATCM is a not-for-profit membership organisation that supports those who manage high streets, town centres and city centres across the UK and Ireland.











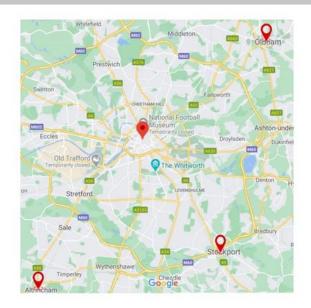
This has been met with significant change to the UCO system.....

....the creation of a 'super' use class for commercial, and a proposal to permit development for conversions within this super use to residential.

However, planning reform must be about shaping long-term change, not short-term shifts.

So, what is the legacy of COVID-19?

Changes in commute patterns & WFH – Manchester surrounding towns



Understanding return of spend by outlying towns in city centres will be key going forwards

Where do residents spend their money?

	Pre-pandemic	Q2 '20 lockdown	Q3 2020
Altrincham			
	39%	62%	47%
M	27%	17%	20%
Stockport			
	50%	69%	59%
M	17%	9%	11%
Oldham			
	57%	71%	60%
M	17%	10%	14%
			mٔ۱

Changes in commute patterns & WFH – Leeds surrounding towns



Understanding return of spend by outlying towns in city centre will be key going forwards

Where do residents spend their money?

	Pre-pandemic	Q2 '20 lockdown	Q3 2020
Wakefield	49%	66%	54%
Leeds	21%	11%	13%
Bradford	59%	73%	58%
Leeds	13%	5%	9%
Barnsley	57%	70%	58%
Leeds	4%	1%	2%
Harrogate	58%	77%	65%
Leeds	7%	3%	5%



Changes in commute patterns & WFH – London surrounding towns

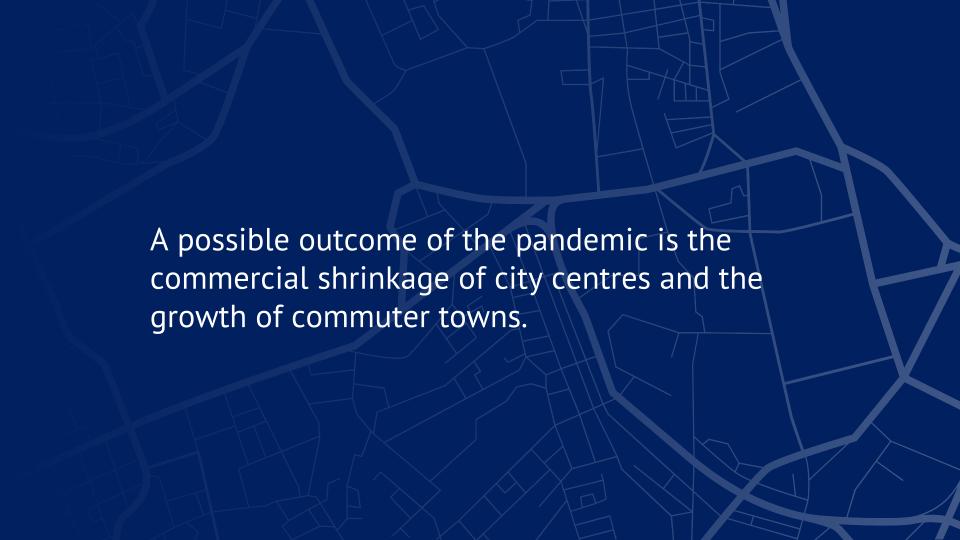


Understanding return of spend by outlying towns in city centre will be key going forwards

Where do residents spend their money?

	Pre-pandemic	Q2 '20 lockdown	Q3 2020
St Albans	50%	67%	53%
	14%	3%	7%
Brentwoo	d		
	41%	50%	42%
	15%	3%	8%
Croydon	39%	63%	52%
	26%	12%	16%
Weybridge		F39/	400/
	40%	52%	40%
日本	15%	3%	7%









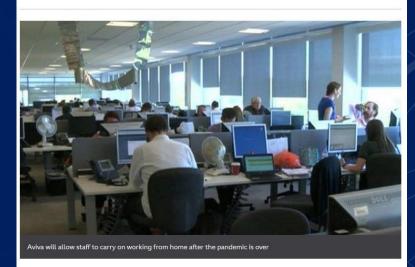


Aviva to adopt home-working as standard practice

O 15 hours ago

<

Coronavirus pandemic



Investment company Aviva is to close offices across the UK and allow staff to work from home, beyond the pandemic.

Or maybe the future is the shrinkage of main town centre uses located out of town.

Multiple efforts to understand what future workspace looks like and the implications for town centres.

Does the removal of planning permission for conversions to resi for Use Class E allow us to adapt to any of these scenarios?

No. Not in our opinion.















The equation for understand where poor conversations are likely to take place....

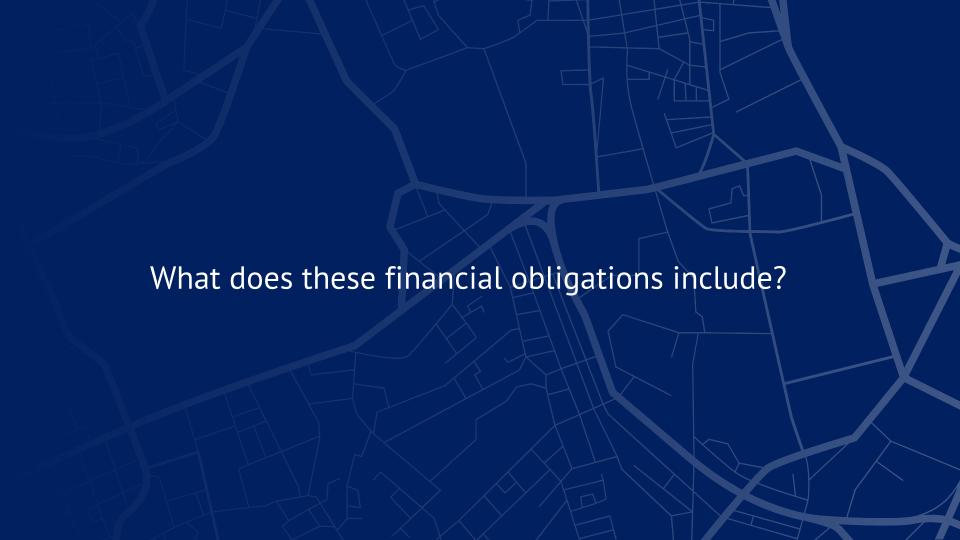
....locations of fragmented property ownership, where resi offers a better ROI than non-domestic.



Customers cannot use businesses

Businesses cannot pay rent and are given protection from eviction

Landlords receive no support from government but still have their own financial obligations



Banks' patience with UK landlords faces test in 2021 as COVID-19 crisis bites



Owners of retail property in the U.K. are among the most exposed to the impact of the COVID-19 pandemic.

Source: Matthew Horwood/Getty Images News via Getty Images

Banks and property do not have a great record when it comes to global recessions.

The 2008 financial crisis was infamously spawned by loose lending to homeowners in the U.S. The contagion that subsequently spread through the global financial system exposed similarly reckless lending to the commercial property sector, leading to a collapse in values as banks beat a hasty retreat.

In the latest downturn, banks in the U.K. so far appear to have avoided falling into the same traps. The harsh lessons of a decade ago meant leverage in the U.K. property sector was significantly lower as it entered the COVID-19 pandemic than in 2008, and banks have appeared reluctant to act as hastily against struggling landlords.

S&P Global reports the UKs largest banks are owned billions by commercial landlords and might begin to chase debts this Summer.









Potential impacts of PDR proposal include:

- Inability of to plan for growth, retraction of something different
- Harder to meet climate change obligations
- Slower economic recovery
- Loss of the essential services (compounded by increased pressure on services with influx of new residents)
- Public health concerns
- Undermining delicate town centre eco-system
- New opportunities for conflict between surviving businesses and residents
- Potential fall in local government funding

This is not a comprehensive list.

Opposition to the proposal is wide, including from:

Association of Convenience Stores, Association of Cycle Traders, BID Foundation, Booksellers Association, British BIDs, British Independent Retailers Association, British Property Federation, The British Sandwich & Food to Go Association, Craft Bakers Association, Entertainment Retailers Association, Guild of Fine Food, Independent Retailers Confederation, Institute of Place Management, London Forum of Amenity and Civic Societies, National Association of British Markets, National Craft Butchers, National Association of Jewellers, National Federation of Independent Retailers, NMTF, Planning Officers Society, Royal Institute of British Architects, RICS, Town and Country Planning Association, UK Cinemas

This is not a comprehensive list.

Alternatives?

- 1. What about establishing town centres as renewal zones where we proactively plan for post-pandemic evolution for town centres but protect active ground floor space against unplanned conversions
- Exemptions for district/neighbourhood/rural locations where access to remaining community services are vital
- 3. Exemptions for strategic commercial destinations
- 4. Short-term support for landlords of non-domestic property
- 5. Partnership mechanisms that reduce risk for landlords of low yield commercial property

This is not about resistance to change. ATCM recognises the need for greater flexibility in commercial space because of contemporary economic pressures and innovation.

That's why we agree there is a clear rationale for the creation of Use Class E.









Housing should always be a key part of the town centre mix. But only good planning can make it work, and permitted development rights do not enable good planning.

