



Japan Local Government Centre, London

Monthly Report for June 2011 – Tesco's and Planning Law

Calls have been made for several years for government to clarify the law on planning so that councils can reject retailers' schemes with more certainty than at present, according to the community's will, with Tesco's largely viewed as the main culprit in what has been dubbed the 'Tesco-isation' effect of the growth of conglomerates at the expense of independent retailers and local character. Currently the national law on planning consent for small stores such as Tesco Express is considered so vague and open to interpretation that council planning officers routinely advise councillors not to oppose their applications as the company is certain to win on appeal against the council's decision, at massive legal cost to the authority concerned. In recent months however, the issue has achieved national prominence on account of riots in the city of Bristol following police measures against protestors against the opening of a new local Tesco store in the city.

The April incident in Bristol occurred when 160 riot police raided a squat opposite the contested Tesco, which was the centre for protests against the retailer. Locals in the Stokes Croft area of the city, regarded as something of a 'bohemian enclave', had long opposed the opening of the store, which they regarded as detrimental to its character and unnecessary given the proximity of other Tesco stores nearby.

Regardless of the peculiar local issues in Bristol, many now regard the law on planning as being against the coalition government's spirit of 'localism', whereby local councillors are effectively powerless to oppose conglomerate retailers from opening new developments in their communities, despite local petitions with thousands of signatures, on account of their well-resourced legal appeals against the council planning process.

In a separate but related development, the government announced in May that the so-called 'Queen of Shops' retail marketing consultant Mary Portas is to lead an independent review into the future of the British High Street on behalf of the Department for Business, Innovation and Skills. Ms Portas has been asked to report to the Prime Minister by autumn 2011 and to:

- examine the case for developing town centres that contribute to promoting economic growth, creating jobs and improving quality of life in local areas.
- explore new business models for high streets relevant to the modern consumer.
- recommend what action government, businesses and other organisations should take to create diverse, sustainable high streets where businesses of all sizes and independent retailers are able to thrive.

Retail occupancy in British high streets has been an acute problem during the recession, with some towns witnessing 20% vacant occupancy rates, as high as 37% in Margate. The town of Redcar in the North East introduced 3D facades for shop fronts to give the impression of higher occupancy. Another problem to be tackled by Ms Portas' review is the rise of 'clone towns' where high streets appear identical on account of the number of chain retailers, to the detriment of established local businesses. On the other hand, many popular retailers such as HMV have fallen victim to cheaper prices on the internet. Some local areas have introduced their own loyalty currencies to encourage spending in smaller and independent businesses.

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