Sustainable Development Select Committee				
Title	High Streets Review - paper for the first evidence session		**Item No**	3
Contributors	Planning Service and Transport Policy and Development Manager			
Class	Part 1	**Date**	3 March 2015	

1. Purpose

1.1. At the Sustainable Development Select Committee on Tuesday 20 January, the Select Committee resolved the following after discussion of the High Streets Review – Scoping Paper:

a) To look at a combination of small, medium and large high streets for its Review

b) Focus on the following areas, in light of the Key Lines of Inquiry and the discussion at the meeting:

- Empty shops and vacancy rates
- The mix of residential and commercial properties
- The variety/mix of shops on Lewisham's high streets
- The future of retail – and future planning in light of these changes
- The night-time economy
- The role of Planning
- The potential for improved streetscape to provide the right setting for businesses to flourish

1.2. This report addresses the issues outlined above. The report discusses the issues thematically, and provides examples of the issues in relation to three centres within the Borough. The report outlines the strategy taken for each centre, and the future work that could be undertaken.

1.3. The centres have been selected to represent a mix of high streets within the retail hierarchy, from major town centres to local neighbourhood centres.

1.4. The example centres are:

- Lewisham major town centre
- Forest Hill district centre
- Grove Park neighbourhood centre

2. Recommendation

2.1. The Select Committee is asked to note the content of the report and direct questions to officers at the meeting on the 3 March 2015.

3. Policy context

3.1. The Council’s planning policies are contained in the Council’s local plan. The local plan is currently made up of a suite of documents, which include the Core Strategy (2011), the Development Management Local Plan (2014) and the Lewisham Town Centre Local Plan (2014).

3.2. The adopted Core Strategy outlines the retail hierarchy for the Borough. Retail centres are classified as either major town centres, district centres, neighbourhood local centres, out of centre retail parks, or local shopping parades. The term ‘high streets’ could be applied to any of the above classifications with the exception of out of centre retail parks.

3.3. The Core Strategy allocates primary and secondary shopping frontages within major town centres and district centres, with the exception of New Cross.

3.4. The local plan policies aim to sustain the viability and vitality of town centres. Retail, commercial, and community uses within the Borough’s high streets are protected through the adopted policies. The strongest level of protection is given to retail uses within the Borough’s primary shopping frontages.

3.5. The retail hierarchy, taken form Core Strategy table 7.1, is outlined below.

Major town centres	District centres	Neighbourhood local centres	Out of centre	Parades
Lewisham	Blackheath	Brockley Cross	Bell Green	There are over 80 parades
Catford	Deptford	Crofton Park	Ravensbourne Retail Park, Bromley Road	
	Downham	Downham Way		
	Forest Hill	Grove Park		
	Lee Green	Lewisham Way		
	New Cross and New Cross Gate			
	Sydenham			

4. The role of planning

4.1. <u>The influence of planning</u>

4.2. Planning policies can shape the success of town centres. Existing planning policies protect retail, commercial and community uses in town centres, promote residential uses where appropriate, and promote the night time economy where appropriate.

4.3. Planning policies can influence all of the above issues as planning permission is generally required to change the use of a building from one use to another.

4.4. Existing planning policies for the Borough’s high streets are structured around the retail hierarchy as described in section 3 of this report.

4.5. In the coming years the Borough’s planning policies will be revised through the development of a new Local Plan. The Planning Service will utilise the evidence set out in this report to create policies which build strengths of the Borough’s different high streets.

4.6. <u>The limitations of planning</u>

4.7. There are limitations to the influence that planning can have due to the way in which planning regulations have been written.

4.8. The Planning Service is unable to control the occupants of premises where there is no change of use.

4.9. Therefore a change from one type of retailer within the A1 use class to another type of retailer within the A1 use class cannot be controlled. For example the Planning Service could not control the change of a unit from a supermarket to a discount retailer. Nor could the Council control the change of a unit from a bank to a betting shop.

4.10. The Planning Service is unable to make a planning decision based on prejudices against a particular end user. For example an application for a convenience shop operated by a major supermarket chain could not be refused on the basis that an independent operator would be preferred by the local community.

4.11. The Planning Service is also limited by the existence of permitted development (PD) rights.

4.12. The current government has increased the scope of PD to include a range of town centre uses.

4.13. PD rights now exist to change A1 retail units to professional service, café, restaurant and business use for a period of up to two years without planning permission.

4.14. PD rights also exist to convert A1 retail units into residential units unless the Council can demonstrate that there would be a negative impact on the town centre in question.

5. Current high street trends and observations

5.1. The Planning Service conducts annual surveys of the Borough’s district and major town centres. The data from these surveys are analysed; trends can be identified and observations can be made.

5.2. This section outlines the main trends and observations for the Borough’s town and district centres taken as a whole. These trends and observations are investigated in greater detail in relation to the four case study high streets in section 7 of this report.

5.3. Vacancy rates

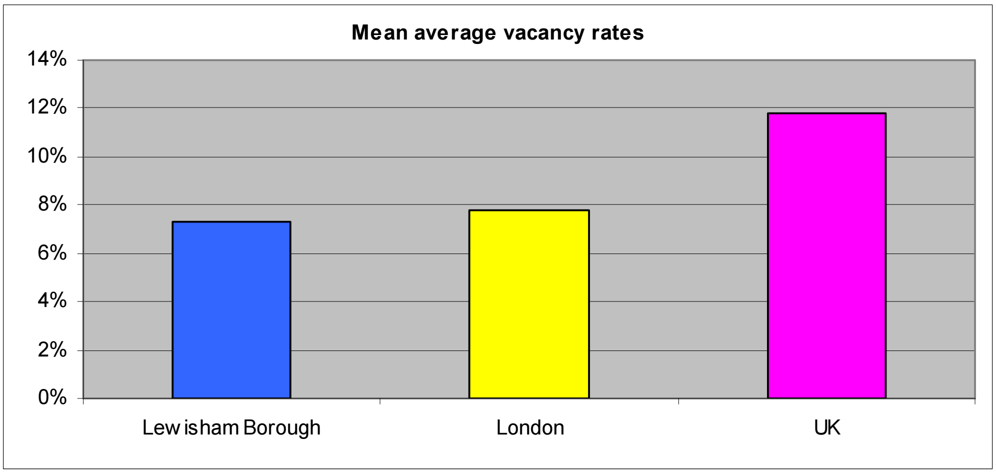

Figure 1 Mean average vacancy rates locally, regionally and nationally

5.4. Vacancy rates are the most immediate indication of the success of a town centre.

5.5. The majority of centres within the Borough are faring well compared with the national and regional statistics.

5.6. The national mean vacancy rate is currently estimated to be 11.8%, with the London vacancy rate estimated at 7.8% . The mean vacancy rate for the Borough's two major town centres and the seven district centres compares favourably, being 7.3% in 2014 (figure 1).

5.7. Vacancy rate trends

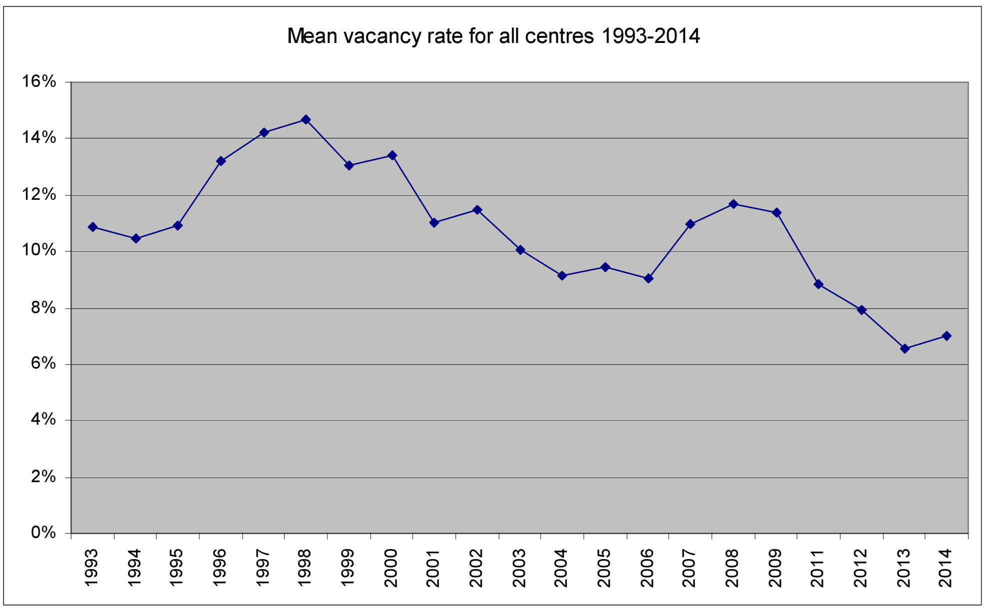

Figure 2 Mean vacancy rates for all centres 1993-2014

5.8. The vacancy rates of high streets can be judged against rates of previous years, to identify if centres are in ascent or decline.

5.9. The average figures for the Borough as a whole are encouraging, showing a significant reduction in the proportion of vacant units found in the district and major town centres since the beginning of the survey in 1993.

5.10. Vacancy rates have improved markedly since the financial crisis of 2008, in 2013 reaching the lowest level since our survey began 20 years ago. There has been a slight increase in vacancy rates between 2013 and 2014 (figure 3).

5.11. <u>Proportion of units in A1 use in primary shopping frontages</u>

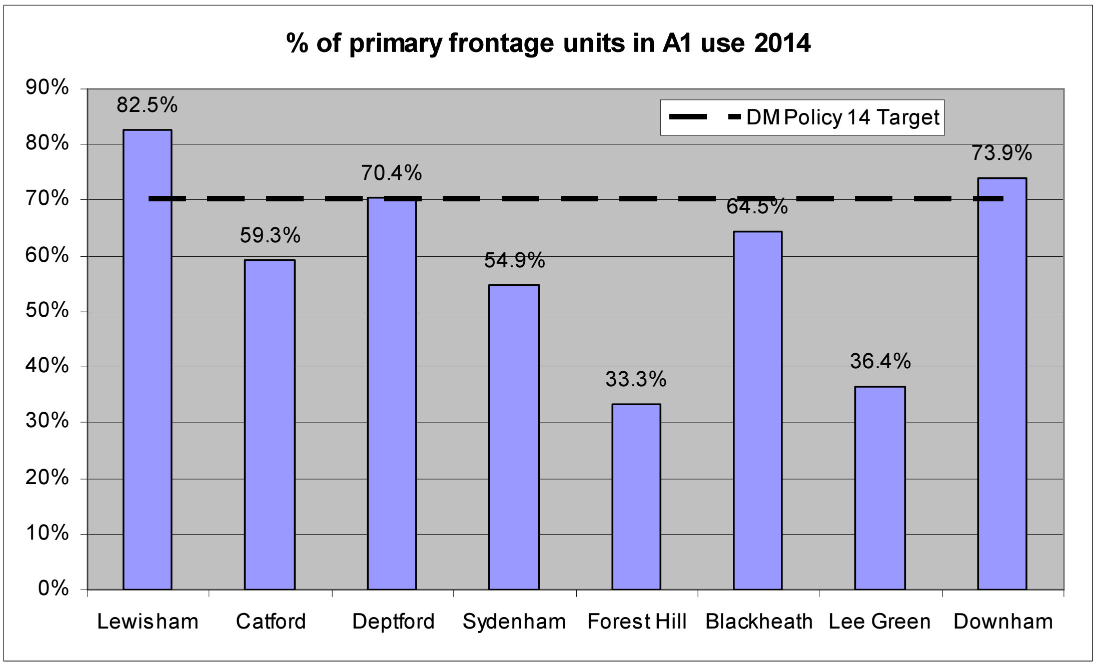

Figure 3 Percentage of primary frontage units in A1 use 2014

5.12. Each town and district centre, with the exception of New Cross / New Cross Gate, is allocated a primary shopping frontage. The primary shopping frontage is considered to be the retail core of the centre, and is therefore A1 (retail) uses are given especially strong protection within this frontage.

5.13. The Local Plan sets a target of 70% of units within the primary shopping frontage in each centre to be in A1 use.

5.14. Many of the centres either meet or come close to the target, however the figures for some centres are significantly below the target. These figures demonstrate that retail may not be the dominant focus of some centres, and that these centres may have other strengths and niches. These themes are explored in section 7 of this report.

5.15. <u>Mix of uses</u>

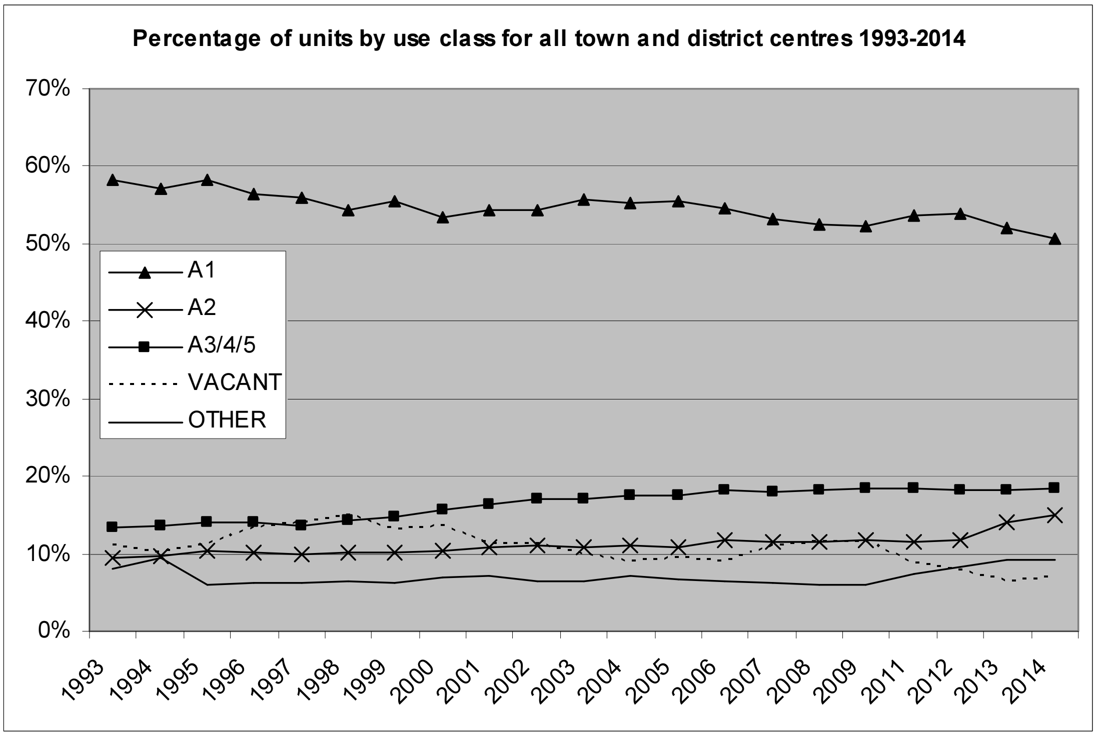

Figure 4 Percentage of units by use class 1993-2014

5.16. The proportion of units in A1 use in all town and district centres (in primary, secondary and other frontages) has gradually decreased from 58% in 1993 to 51% in 2014 (figure 6).

5.17. During the same period A2 uses (such as banks, betting shops, estate agents and high street solicitors) have increased in proportion from 9% to 15%, and A3/A4/A5 uses (restaurants, cafés, pubs and takeaways) from 13% to 18%.

5.18. The figures indicate gradual shifts, which taken alongside the reduction in vacancy rates, demonstrate that the Borough's town and district centres are generally adapting successfully to the changing retail landscape.

6. The future of retail

6.1. Since 2011 there has been much discourse nationally regarding the future of retailing and the UK's high streets. Much of this discourse has concentrated on the 'failure' of high streets, their loss of purpose in a world of online retailing, and their high vacancy rates.

6.2. However, the evidence outlined earlier in this report indicates that Lewisham's district and major town centres have not suffered from failing high streets or high vacancy rates, and therefore the national discussions relating to these issues are not directly applicable to the Borough.

6.3. Yet, the Borough will be still be affected changing retail market and online shopping to some extent, and the Council must be vigilant to ensure that

Lewisham's high streets are adaptable to changing shopping and lifestyle habits.

6.4. The retail surveys reveal an increase in non-retail commercial and community uses in town centres in recent years. This highlights the wider role beyond retail that town centres fulfil. The increase in A3/4/5 units (restaurants, cafés, pubs and takeaways) demonstrates that some town centres are increasingly functioning as clusters for leisure and social activities. Blackheath and New Cross have high proportions of units in A3/4/5 use, and can be said to have a strong night time economy as a result.

6.5. The increase in online retailing has potential to undermine high streets by bypassing the need for visiting physical shops. This can happen for both convenience and comparison goods, although the impact may be different for both. Convenience retailers provide day to day goods including food, drinks and newspapers. Comparison retailers provide other goods such as clothing, furniture, toys etc.

6.6. Convenience online shopping is likely to be of the 'weekly shop' type, rather than for regular purchases of essentials and daily food supplies. This is likely to impact on larger supermarket units, and it is less likely to impact on corner shops, small supermarkets, and the smaller convenience format stores (such as Sainsbury Local and Tesco Express) which have risen in popularity over recent years. It is therefore expected that the Borough's smaller centres will retain their role as convenience shopping destinations.

6.7. The popularity of online shopping for comparison goods will depend on the type of goods in question. Many large comparison goods retailers will want to retain stores to showcase their products and also to act as pick up points for online orders. It is therefore expected that the Borough's largest centre, Lewisham town centre, will remain home to national multiples.

6.8. The London Plan considers that the impact of online shopping may therefore have the largest impact on medium sized centres. It will therefore become increasingly important for centres to identify strengths and niches, and to develop these strengths further. This may include concentrating on leisure, community and cultural strengths. This is discussed to a greater extent in section 7 of this report.

6.9. On a purely practical level, the popularity of online shopping may also lead to the introduction of stand-alone 'click and collect' pick up points in town centres and transport hubs, to supplement the home delivery of goods.

6.10. The Planning Service will be considering all of these issues when reviewing the Local Plan, to ensure that future planning policies will safeguard vibrant and viable centres.

7. The roles of different high streets

7.1. The Local Plan retail hierarchy groups centres into the categories of major town centres, district centres, neighbourhood local centres, out of centre retail parks, and local shopping parades.

7.2. Major town centres, at one end of the scale, are expected to deliver a range of comparison goods retailers alongside convenience retailing, services, community and leisure uses.

7.3. Local neighbourhood centres, at the other end of the scale, are expected to mainly cater for the local community's day to day needs.

7.4. However, every centre within the same retail hierarchy grouping does not play the same role. Each centre has strengths and weaknesses. Section 6 of this report, on the future of retail, explained why playing on the strengths of and developing the individual roles of each centre will become increasingly important in future years.

7.5. This section looks at the different roles of the four high streets that are being used as a cross section of town centres for the purpose of this report.

7.6. <u>Lewisham major town centre</u>

7.7. Lewisham centre is categorised as a major town centre. The centre is the most important shopping and leisure destination in the Borough as well as a major transport hub.

7.8. The annual retail survey data indicates that the town centre has performed strongly over recent years.

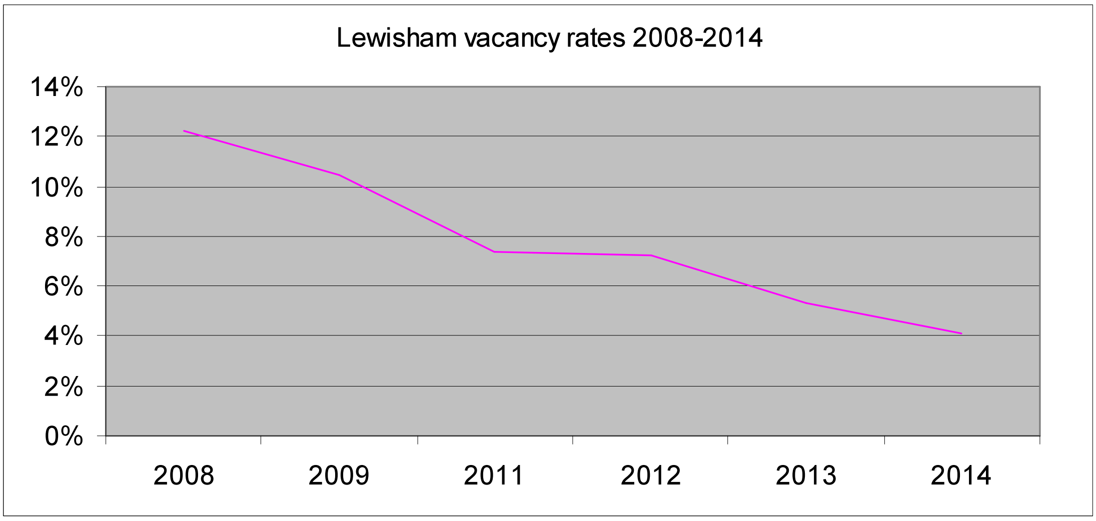

Figure 5 Lewisham town centre vacancy rates 2008-2014

7.9. Figure 5 shows that the vacancy rate in the town centre has dropped significantly from 12% to 4.1% over the period 2008-2014. The current vacancy rate is significantly lower than the regional (7.7%) and national (11.8%) average.

7.10. 82.5% of the primary shopping frontage is in A1 use. 57% of the centre's A1 units are classed as comparison retail outlets. These figures indicate that the centre is fulfilling it's role as a retail destination. The centre is home to national multiples including Marks and Spencer, Argos, WH Smiths and H&M. The centre also possesses a low proportion of discount and charity shops.

7.11. The future of Lewisham town centre is set out in the Lewisham Town Centre Local Plan (2014). The vision for the centre states that Lewisham will be transformed into a shopping and leisure destination of exceptional quality, supported by a an increase in the resident population through the development of high quality housing.

7.12. The objectives of identified for the centre include:

- Significant expansion of retail floorspace,
- Improved leisure and evening economy provision,
- Provision of 3,300 new homes,
- Improvement and expansion of streetscape, pedestrian linkages, open space and recreational facilities.

7.13. The vision and objectives for Lewisham build on the strengths of the centre as an important retail destination, and expand this to ensure that the centre becomes an important leisure, community, employment and residential hub.

7.14. The vision and objectives are being delivered on the ground through large scale developments along Loampit Vale, Thurston Road and through the Lewisham Gateway scheme. These developments will provide large amounts floorspace in retail, leisure, employment and residential uses.

7.15. Major leisure and residential uses have already been completed as part of the Loampit Vale scheme.

7.16. The Lewisham Gateway scheme is now underway, and will deliver a significant part of the vision for the centre. The pedestrian connections between the primary shopping frontage will be radically improved, as will the urban environment. The development will expand the secondary shopping frontage towards the station, and will also provide leisure and evening economy uses.

7.17. Further improvements are planned to the streetscape along Lewisham High Street. A funding bid was made to TfL through the Local Improvement Scheme regime in 2014. The bid was unsuccessful (due mainly to the recent success in attracting funding for Deptford High St) but the Council believes the bid is strong, and will re-submit in 2015. The scheme will improve the physical environment of the centre, including the provision of additional footpath and seating capacity. The scheme will also improve the operation of the street market and reduce negative impact of servicing operations by creating an enclosed waste area with underground compactor.

7.18. The vision, objectives and policies within the Lewisham Town Centre Local Plan, alongside the projects that are taking place on the ground, all build upon the existing strengths of the town centre as a major retail destination. The plans and improvements will make the centre more accessible to visitors, will improve the evening economy, will encourage more people to visit and stay for longer due to an improved environment and retail and leisure offer, and will increase the resident population of the centre creating more life, activity and potential customers for retailers.

7.19. All of these benefits described above will enable the centre to compete with rival centres and with online retailers. The diversification of the centre major improvements to the streetscape and local environment will ensure that people are attracted to the centre, enjoy spending time there, which gives the centre a platform on which to compete with the growth of online retailing.

7.20. Lewisham major town centre is an example of how the Local Plan process can shape high streets. The planning process identified the role of the centre, and developed policies in order to strengthen the role. Lewisham town centre is the first centre in the Borough to have the benefit of town centre policies specific to the individual centre. It is anticipated that the next Local Plan will have specific policies for more of the Borough's high streets.

7.21. <u>Forest Hill</u>

7.22. Forest Hill is classified as a medium sized district centre in the Council's retail hierarchy.

7.23. The annual town centre surveys show that the proportion of vacant units has decreased significantly since the peak in 1997 (figure 6).

7.24. The survey also shows a gradual decrease in the proportion of A1 retail units over time, and a recent increase in the proportion of A3/A4/A5 leisure uses (restaurants, cafés, pubs and takeaways) and of 'other' uses (including community, business and cultural) (figure 6).

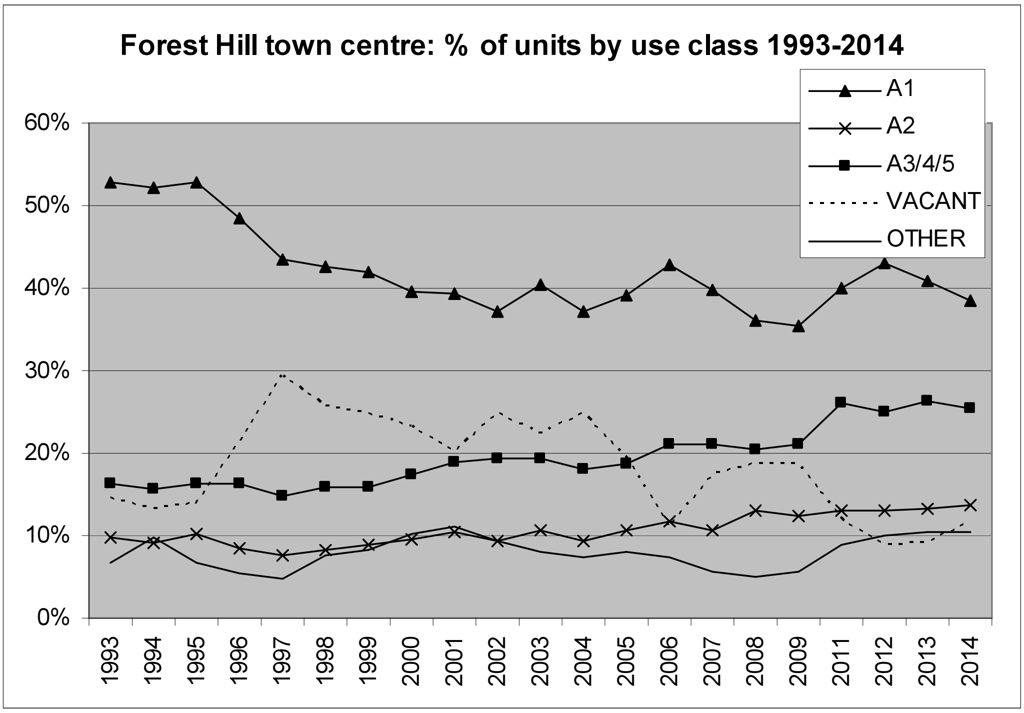

Figure 6 Forest Hill town centre percentage of units by use class 1993-2014

7.25. The primary retail function of the centre is to serve the needs of the local community. The centre is unable to compete with larger centres and with online retailers in regards to comparison goods. This is a trend that is seen in district centres nationally. Therefore, unlike Lewisham town centre, the scope for improvement of the centre through retail expansion is limited.

7.26. However, the centre has other strengths. Eating and drinking businesses have expanded in number over recent years, as well as ‘other’ community, culture and business uses. The Forest Hill Pools have been refurbished, including a gym and community room, and there is a strong artistic community within the units along Havelock Walk.

7.27. The evidence points to the role of Forest Hill as being an important leisure, community and cultural centre for local people, on a par with its retail function. This is reflected in the fact that only 33% of the primary shopping frontage is currently in A1 use.

7.28. The review of the Local Plan will examine whether local level policies specific to Forest Hill are required to play on the existing strengths of the centre. This will include consideration as to whether the 70% A1 primary shopping frontage target should be retained. The aim of any new policies will be to ensure that Forest Hill is a vibrant and viable district centre that serves the local community.

7.29. The objectives and policies of the new Local Plan will be supported by the planned street improvement works which will be the subject of a Local Improvement Plan funding bid.

7.30. The bid will develop the concepts first proposed in the Forest Hill Urban Design Framework and Development Strategy SPG (2003). These concepts have been developed with strong involvement from the local community, reflecting the importance of the centre as a hub for the activities of local people. The bid is expected to focus on creating and animating the forecourt spaces along Dartmouth Road.

7.31. Grove Park

7.32. Grove Park is classed as a neighbourhood local centre in the Council's retail hierarchy.

7.33. Neighbourhood local centres are expected to cater for the day to day needs of their local neighbourhood, and will not have as large a catchment area or range of services as district and major town centres. The centres are of great importance to the community, especially for those who are unable to easily travel to larger centres.

7.34. Surveys of neighbourhood local centres are undertaken less frequently than surveys of district and major town centres. The most recent survey was undertaken in 2012. A new survey will be undertaken during the preparation of the new Local Plan.

7.35. The 2012 survey found a wide mix of uses within the centre, with the main uses being A1 retail, A2 services (including estate agents, bookmakers, and financial services), A3 restaurants and cafes, and A5 takeaways.

7.36. 15% of units (8 units) were vacant in 2012, which represented a slight increase from 6 units in 2005. However, only 2 of the same units were vacant in both 2012 and 2005, indicating that long term vacancies are not a significant concern.

7.37. The high street receives the support of the Grove Park Community Group. The group have worked in conjunction with the Council to save the Baring Hall Hotel, the only public house in the centre. The Council placed an article 4 direction on the premises to ensure it could not be changed to another use. The property has now been brought back into use as a pub.

7.38. The small catchment areas of neighbourhood local centres means that local communities are ideally placed to work with the Council to shape the future of these centres. Communities have been given the power to do this through the introduction of Neighbourhood Planning. Community groups can draw up planning policies for high streets, which will then be used by the Council to determine planning applications once the policies have been inspected by an independent examiner and have been voted for in a referendum.

7.39. Grove Park is the subject of an emerging neighbourhood plan. The community group preparing the plan has the option of including policies relating to the high street. The Council will work with the community group to support its work by providing advice and assistance.

7.40. Should the community group decide not to include high street policies, then the Planning Service will work with local people to identify policies that are required to ensure the future success of the centre.

7.41. The community group has also worked with the Council to design a streetscape improvement scheme for the high street. The Council was successful in securing £1.5m LIP funding for this scheme in 2013, and works are expected to commence 2015/16. The pedestrian environment will be enhanced to encourage trips to the centre, and car parking will be retained to provide vehicular access to local businesses.

7.42. The approach taken with Grove Park, and with other neighbourhood centres including Crofton Park, differs from the approach taken to district and major town centres due to the very local nature of these centres. The concept of 'Localism' is well suited to these centres. The Council will continue to work with local community groups in supporting neighbourhood plans for these areas, and in developing high street policies in the new Local Plan where neighbourhood plans are not proposed.

8. Background Documents:

Lewisham Core Strategy 2011 (local plan) :
http://www.lewisham.gov.uk/myservices/planning/policy/Documents/CoreStrategyAdoptedVersion.pdf

Development Management Local Plan 2014:
http://www.lewisham.gov.uk/myservices/planning/policy/LDF/development-policies/Documents/DMLPAdoption.pdf

Lewisham Town Centre Local Plan 2014:
http://www.lewisham.gov.uk/myservices/planning/policy/LDF/lewisham/Documents/Lewisham%20Town%20Centre%20Local%20Plan.pdf

If you have any questions about this report, please contact Brian Regan, Planning Policy Manager (ext. 48774).