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Subject: Northampton Local Plan (Part 2) Options Consultation
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Representations to Options Consultation - October 2016 FINAL.pdf

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Dear Sir / Madam,

On behalf of our client, UGS Northampton Limited, please find attached representations made in response to the Local Plan (2) Options consultation.

I would be grateful if you could provide confirmation of receipt, and please do not hesitate to contact me should you have any queries.

Kind regards,
Leigh

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Our Ref: Market Walk, Northampton

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18th October 2016

Northampton Local Plan (Part 2) Options Consultation
Planning Policy
Regeneration, Enterprise & Planning Directorate
Northampton Borough Council
The Guildhall
St Giles Square
Northampton
NN1 1DE

Dear Sir / Madam,

NORTHAMPTON LOCAL PLAN (PART 2) OPTIONS CONSULTATION – MARKET WALK, MARKET SQUARE, NORTHAMPTON, NN1 2DP

We write on behalf of our client, UGS Northampton Limited, to make representations to the Local Plan (Part 2) Options Consultation. We wish, in particular, to comment upon the proposed policy approach for retail centres and have previously commented on the Local Plan (Part 2) Issues consultation. These representations therefore reiterate the comments made previously.

UGS Northampton Limited (hereafter 'UGS') own the freehold to the Market Walk Shopping Centre. The Market Walk Shopping Centre has suffered severely from a fall in trade. This is the result of unfavourable economic conditions in Northampton and competition from both the Grosvenor Centre and out-of-town retailing facilities.

At present, 40% of all units within the Market Walk Shopping Centre are vacant. The departure of all anchor tenants, including Next and Laura Ashley, in addition to tenant insolvencies, have resulted in a sharp decline in occupancy levels and visitor footfall. Research undertaken by UGS indicates that the primary driver of footfall is currently tradespeople from the Market Square taking advantage of the Centre's toilet facilities.

In order to arrest the present decline, UGS instructed Colliers International to undertake a comprehensive review of the centre and potential for its renewal. This drew upon expertise from the Planning, Development and Destination Consulting divisions and was informed by specialists in retail, town-centre regeneration and place-making. No viable redevelopment options were identified except, potentially, redevelopment of the shopping centre as a car park.

UGS recognise that Market Walk Shopping Centre is in a cyclical decline and that the options to arrest this are exceptionally limited. Whilst there is unlikely to be a single solution, it is of the opinion that greater flexibility to respond to the current challenges and improve upon the asset management of the centre could prove beneficial. UGS therefore request that the Borough removes the designated Primary Retail Frontage which currently applies to the centre. This would create greater flexibility in respect of the type of uses allowed within the shopping centre, increasing lettings and improving perceptions of its vitality.

Background

UGS acquired Market Walk out of receivership in 2010. At the time, occupancy was approximately 75%. Although occupancy levels are now only 15% lower, this masks a more considerable change in the nature of occupation. All recent lettings have been to largely unknown low-value independent retailers and, more importantly, on all-inclusive or rent-free deals. The centre is running at a substantial loss and these lettings have been agreed to mitigate business rates liability on as many of the vacant units as possible. UGS nonetheless remain committed to securing the best long-term use for Market Walk and are eager to engage with the Borough to secure its future.

Site Context

The Market Walk Shopping Centre is located in the centre of Northampton directly east of the Market Square. It comprises a three storey building with retail units on ground and raised ground floors. It is located within the Northampton Town Centre boundary and Primary Shopping Area. The site is also within the Central Area Action Plan area.

Local Plan (Part 2) Options Consultation

This consultation is the second stage in the preparation of the Northampton Local Plan (Part 2), which will be accompanied by a partial review of the Central Area Action Plan.

The Options consultation document includes a number of questions which have been set out to prompt feedback on particular issues. Responses to the question relevant to the Market Walk site are set out below.

15. Do you agree that we should review the secondary retail frontages policy, which restricts non-retail uses in some sections of frontage, to allow greater flexibility for non-retail uses in some areas?

We agree that the secondary retail frontages policy should be reviewed, but consider this review should also be extended to primary retail frontages, particularly the Market Walk Shopping Centre. Detailed justification for this approach is provided below.

UGS recognise the way in which retailing patterns have changed in recent years. Northampton is an area of relatively low demand, with high competition both in- and out-of-town. This is further impacted to the extent that an increasing amount of retail spend is moving to Milton Keynes. The result is low rental values and low capital values for retail floorspace in a challenging economic climate.

The average spend per shopper within Northampton is low, being approximately £1,683 pa. Of total comparison retail spend, 35% (£518.5 million pa) is within the Northampton area and 21% (£309.25 million pa) is within the City Centre. Some 15% (£231.25 million pa) is being lost to Milton Keynes and

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7% (£117.12 million pa) to Kettering. A further 21% (£312.3 million pa) is being lost to other local competition including Wellingborough, Market Harborough, Bedford, Banbury and Corby.

Colliers International maintains the only comparative database of town centre performance in the UK. This was used to inform and advise the Government's Town Centre Taskforce. The Colliers Town Performance Matrix (2015) identifies Northampton as a "Stable" market, but the trend is downwards and there is an expectation that this rating could change to "Failing" in 2016. New lettings and rent reviews are seeing a downward trend, with one recent rent review seeing a move from £65 psf Zone A to £45 psf Zone A. Town centre vacancy increased by 6% during 2015.

This is the context in which the Market Walk Shopping Centre has traded since UGS acquired the property. It has suffered from a fall in trade over recent years, resulting in a large proportion of vacant units. Changing retail habits have undoubtedly had an impact but so also has redevelopment of the Grosvenor Centre to the north and a lack of demand for units from operators requiring shop premises (Class A1).

UGS has explored a number of options to improve the performance of the centre but the designation as a Primary Retail Frontage has proved to be a significant barrier. This is because, at present, planning applications for the change of use of units within Market Walk are subject to Policy 13 of the Central AAP, which seeks to resist a significant decline in the total length of the identified retail frontage below 80% Class A1 use, and does not allow two or more adjoining premises to be used for non-retail purposes.

This policy represents a barrier to securing other retail tenants, such as those in the food and beverage sector, by affording protection to the loss of Class A1 units. The introduction of uses such as cafes, restaurants, professional and financial services would make a significant contribution to vitality and viability of the town centre, and would make Market Walk an attractive town centre destination. If this was removed there would be greater scope to let the units as UGS could seek tenants requiring floorspace within use Classes A2, A3, A4 and A5. Planning control could still be maintained in this event through general written policies elsewhere within the plan.

In this context, it is encouraging that the need for flexibility is acknowledged in the section of the Options document relating to retail centres. Further commentary was provided by the Local Plan (Part 2) Issues Paper at page 16 which stated:

> *"In recent years there have been significant changes in the growth of the town, retail provision and shopping patterns, and some of these centres may now benefit from greater flexibility for new uses. The opportunity to use these premises for alternative uses might be preferable to the buildings becoming vacant and subsequently run down."*

We support the recognition given in the Options Paper, which reflects National Planning Policy Framework (NPPF) guidance on ensuring the vitality and viability of town centres. Paragraph 23 advises that, in drawing up Local Plans, local planning authorities should:

- *recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*

- *promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centre;*

- *where town centres are in decline local planning authorities should plan positively for their future to encourage economic activity.*

The Government also places significant weight on the need to support economic growth through the planning system and states at paragraph 21 of the NPPF that:

> *"Investment in business should not be over-burdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing."*

In addition to the local and national policy guidance set out above, greater flexibility in respect of permitted development rights relating to town centre uses were introduced by the Government in May 2013. The amendments allowed greater flexibility for changes of use within the A Use Classes and sought to support those looking to make the best of their property assets. It is therefore clear that both local and national planning policy and guidance supports vibrant and thriving town centres and acknowledges that flexibility is required to ensure that buildings do not become and remain vacant. There is therefore a national policy context which would support a more flexible approach being taken by the Borough.

Central Area Action Plan

The Central AAP sets out the vision for the centre of Northampton and includes policies that seek to shape the future development of the area. In addition to general planning policies, the AAP also sets out guidance for specific areas of the town centre. The Council's vision for the Market Square is set out at Policy 31, but the area covered does not extend as far as the Market Walk Shopping Centre. Nevertheless, due to the proximity to the Market Square, it is considered appropriate for the proposals for Market Walk Shopping Centre to be informed by the aspirations of the AAP.

The AAP sets out the objective at Policy 31 to make the Market Square into a high quality leisure destination, and also notes that there is a relatively limited choice for consumers within the town centre in respect of leisure and the evening economy. It is considered that if greater flexibility was afforded in respect of the uses permitted within Market Walk then it could make a significant contribution to supporting the Council's vision for the Market Square area, particularly the aspiration for more restaurants within the area. In this respect, we propose that Policy 31 is amended in order to recognise that the function of the Market Square as a leisure destination could be enhanced by allowing greater flexibility for restaurant uses at Market Walk Shopping Centre, which is adjacent.

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Summary

For the reasons set out above, UGS propose that the Market Walk Shopping Centre is removed from the designated Primary Retail Frontage. This would allow greater flexibility in respect of the type of uses allowed within the shopping centre, reduce vacancy levels and increase its vitality and viability as a town centre destination.

We trust that our comments will be given full consideration and that our details will be included on the Council's database to ensure we are notified of all future stages of consultation.

We would similarly be grateful for confirmation of receipt of the letter.

Yours sincerely,

[redacted]

JONATHAN MANNS MRICS MRTPI
For and on behalf of Colliers International