

## Appendix 2

### Policy Background to Chandos Street Development

Leamington is a successful and attractive shopping centre with a good balance between multiple retailers and local specialists. New retailing has been provided over the years in a manner that sits well within the historic character of the town. Careful control over street front appearance together with extensive private and public investment have ensured it maintains its character as an elegant and high quality shopping environment.

However, all town centres are subject to change as economic circumstances and shopping patterns evolve. It is important to anticipate such changes and, as far as possible, to plan properly for the future. The time to address the future is at a time of success. Threats to the continued retail prosperity of Leamington in the longer term have been identified over a period of time

In summary these are as follows:

- Competition from other centres – there are many competitors to Leamington within easy travelling distance. Many of these have increased their shopping offer over recent years and provide strong competition to the continuity of Leamington Town Centre.
- Leamington used to be within the top 100 shopping centres. It has now fallen outside that as a result of other competing centres developing their retail offer. In itself, the ranking of Leamington may not be significant, but it is a reasonable indicator of comparative performance
- Further slippage may cause major present occupiers in the town to review their continued presence.
- There is limited opportunity for new retailers who wish to come into the town who would enhance the towns retail offer, but who require modern, large floor areas necessary for their trading requirements which are not currently available.
- Continued investment in the Town Centre to meet needs is important to counter the continuing threat of additional out of town provision.

In considering how to plan for the future of retailing in Leamington Town Centre, the Council has had regard to:

- The need to maintain a balance between multiples and independent specialists. The independents will generally trade from the existing network of smaller existing buildings within the town and benefit from the spin-off of additional footfall from new retailing provided in the new stores.
- The high quality character of the town, which is important not only in its own right but also as a continuing attraction to shoppers

The background to the development of Chandos street to address the issues set out above has been undertaken in the context of Planning policy at National , Regional and Local level. The details of this are set out below

## **National Policy**

In planning for the future of Town Centres the Council has to act within the Planning Framework provided by Government. In relation to Town Centres this is provided by Planning Policy Statement No 6 – Planning for Town Centres. The current PPS 6 built upon previous Government guidance and provides comprehensive advice on a wide range of matters regarding a range of Town Centre uses. The Government's key objective for Town Centres is for Local Authorities to promote their vitality and viability by planning for the growth and development of existing centres and by promoting and enhancing existing centres by focussing development in such centres in a good environment accessible to all.

PPS 6 advises Councils to assess the need for new retail floor space, identify deficiencies in provision and assess the capacity of existing centres. It proposes Local Authorities should identify and allocate sites for development within Town Centres to meet identified needs.

Whilst progress on the Chandos street scheme has been undertaken in the context of the current PPS 6 issued in 2005, the development of initial draft Local Plan policy and the commencement of the Chandos Street project was undertaken within the context of the previous PPS6. The council's actions were previously in accord with the former PPS 6 and the additional emphasis now contained in PPS6 in relation to proactive action to support the future of Town Centres forms a context for the more recent stages of the Council's approach.

## **Regional Policy**

The Regional Spatial Strategy for the West Midlands (RSS) was issued by the Secretary of State in 2004. This provides a region wide planning framework to which Local Authorities need to adhere in preparing their own development plans and determining planning applications. This identified Warwick/Leamington as an "other large settlement" in respect of which RSS policy called on to act as a focus for new investment to support wider regeneration. In addition Leamington Town centre was identified as one of a range of centres which would be the focus of major retail development during the plan period.

The RSS is in the process of review. The "Preferred Option" document for the Phase 2 Review of RSS, setting a framework for development to 2026 was approved for submission to the Secretary of State in December 2007. Policy PA11 identifies Leamington Spa Town Centre as a third tier strategic centre within a network of 25 town and city centres within the region. These centres will be the preferred location for major retail development. Policy PA12A indicates that Warwick District plan for the construction of 35,000 sq.m of comparison retail floor space between 2006 and 2021 and an additional 25,000 sq.m. of floor space 2021 to 2026.

The RSS Phase 2 revision is presently the subject of public consultation, ending in December 2008 and an Examination in Public is anticipated during early 2009

## **The Local Approach - WDC**

The Council has regularly monitored the health of the Town Centres within the District and has requested Consultants to provide an independent perspective. Early retail health checks were carried out in 1994 and 1998.

In 2002, to assist the preparation of the Local Plan the Council commissioned retail Consultants DTZ to assess the health of all the Town Centres within the District and to look at the future direction which Planning Policy should take to ensure the Town Centres continued to retain their vitality and viability. This work involved the following:

- Householders telephone survey of 1000 homes

- A review of the large amount of information available at the time including economic indicators, footfall counts, retail floor space figures and the previous town centre health checks etc
- A stakeholder workshop including Chambers of Trade, Residents Groups, and others
- A retail capacity assessment of Leamington Town Centre

The study considered the potential capacity for further comparison goods floorspace within Leamington Town Centre for the period 2001 – 2008. It estimated a potential gross capacity for comparison goods retailing of between 15,000- 25,000 sq.m by 2008. Overall, the study concluded:

*” Leamington “Leamington, Warwick and Kenilworth Town Centres all face uncertain futures and will need pro-active planning management and investment to meet the challenges of increased competition from other towns and shopping destinations across the region.”*

In order to assess the issues further, particularly to extend the period of assessment of need to 2016, the Council re-commissioned DTZ to provide a quantitative assessment update of the likely future capacity for both comparison and convenience retail floor space in the District. This study was undertaken in mid 2004. The outcome of the study in relation to comparison goods forecast a significant growth in potential spend across the District of £164,000,000 by 2011 rising to £271,000,000 by 2016.

The study indicated that there was significant potential capacity for additional comparison goods floor space in the District. In Leamington this amounted to a potential additional 37,700 sq. metres (gross) floorspace. This could be provided in more than one location, but it DTZ considered that it would preferably need to be “anchored” by a major new department store.

The Council considered that it was important to consider a full range of possible sites for retailing within the town.. A further report was therefore undertaken by consultants GVA Grimley in 2006. This report considered the availability of alternative sites for retail development. The report clearly showed that Chandos Street was the only site in the town centre that had any realistic opportunity for significant additional retail investment in the short to medium term (the 5 years as identified in PPS 6).

Had it not been possible to identify an appropriate town centre development site, strong arguments, supported by PPS6, may have been put forward for the identified need to be responded to by retail development in other locations out of town sites.

In looking at the future of Leamington, therefore, the Council was aware of a number of factors:

- a) though a successful centre in its own right, there was a decline in its relative position to other shopping centres
- b) Government policy pressing for pro-active action on the part of Local Authorities to address Town Centre retailing needs
- c) The RSS framework identifying Leamington Town Centre as a location for Town Centre retail growth
- d) The DTZ studies indicating additional retail spending capacity within the town

- e) The need to concentrate new retail development within Town Centres to resist it being provided by alternative out of town locations which would, potentially, cause significant damage to the existing town centres.

## **Local Plan**

The former Warwick District Local Plan adopted in 1995 included policies to protect and develop the Town Centres as a focus of retail activity in the District and to protect their roles within the regional shopping hierarchy. The plan identified what was then known as "Site E" for retail development. It is now completed as Regent Court.

This Local Plan was replaced by the updated Warwick District Local Plan 1996 to 2011. The preparation work for the update commenced approximately 5 years ago. The Plan has been through extensive public consultation in relation to issues through a first deposit version and a second deposit version. The Plan was formally adopted in September 2007. In accordance with wider strategic guidance the Spatial Strategy of the plan identifies the 3 towns of Leamington, Warwick and Kenilworth as the main shopping and service centres of the district. Objective 1D of the Plan seeks to enhance the vitality of the Town Centres. This includes support for ensuring a vibrant retail sector and encouraging proposals that diversify the range of uses within the Town Centres.

In accordance with PPS 6, Local Plan Policy UAP 3 seeks to direct retail development to Town Centres. The Plan recognises that in accordance with Government guidance it is important to ensure that Town Centres remain the preferred focus for new retail development in order to maintain their continued vitality and viability. Policy TCP1 responds to this further by stating

*"Proposals for retail, entertainment and leisure development will be permitted where they are of an appropriate scale in relation to the role and function of the Town Centre and its catchment and reflect the character and form of the Town Centre".*

As a result of the background work undertaken by DTZ and the identification of a significant capacity for convenience goods floor space, the Local Plan provided for possible additional large scale retail development. This is set out in policy TCP 3 which states

*"Proposals for large scale shopping development will be permitted provided:*

- a) *they are within
  - i) the retail areas of the Town Centre
  - ii) the area of search defined on the proposals map.*
- b) *it can be demonstrated that the proposal meets the retail need in a way which is of an appropriate scale that respects the character and form of the Town Centre.*
- c) *proposals create strong and direct pedestrian links between the existing main shopping core along the primary retail frontages and the development*
- d) *the impact of the proposal upon traffic movement is fully considered and appropriate measures to promote public transport and provide car parking are included in the proposal and*
- e) *proposals are acceptable with regard to the development principles set out in Policy DP1 of this plan."*

The Local Plan did not allocate a specific site for potential future large-scale development as it was acknowledged that the securing of a site would need to reflect commercial and practical site assembly considerations that it was not appropriate for the Local Plan to address. The

Plan recognised that there was a need for additional retailing and allowed for its development within a specified area of the Town Centre subject to the qualifications as set out above.

The Local Plan provides a clear medium term position in relation to future retailing in Leamington Town Centre. The Policy was arrived at following extensive public consultation during the course of Plan preparation and has also been the subject of consideration by an independent Inspector at the Local Plan Inquiry who has supported the Council's approach. It is, therefore, an important factor in considering the manner in which the future of the Town Centre is to be addressed.