

19th June 2012
P-07-289/PB/Warwick

Development Policy Manager
Development Services
Warwick District Council
Riverside House
Milverton Hill
Leamington Spa
CV32 5QH

By email to: newlocalplan@warwickdc.gov.uk

Dear Sir / Madam

PLANNING & COMPULSORY PURCHASE ACT 2004
Local Development Framework for Warwick
New Local Plan Preferred Options Consultation June 2012

1. Introduction & Background

We act as planning consultants for Barclays Bank plc ("the Bank") in respect of the Local Development Framework (LDF) for the District and this letter forms the Bank's response to the above consultation. As a long-established business, the Bank has made a substantial contribution to the vitality and viability of the District's town centres over the years that it has traded and as a significant stakeholder it is therefore concerned that development plan policies should not fetter the important contribution that it makes to the vitality and viability of those town centres. Through high attraction of footfall, financial services retailers generally (and the Bank in particular) play a key role in promoting town centre health and as a result, the provision of financial services should be allowed to improve and evolve alongside the improvements to shopping provision envisaged over the proposed plan period. Banks should not be subject to outmoded restrictive controls on their location, particularly as this is not supported by Government policy or by any evidence, so there is therefore a need to review existing policies that restrict such A2 uses in designated frontages or the Council will risk the plan being found unsound.

2. Representations on the current consultation

The Preferred Options document sets out the Council's 'Strategy for the Future and Sustainable Prosperity of Warwick District' (Paragraph 2.5), highlighting several 'Key Principles' which include "*facilitating the growth and development*" of the local economy to support a "*dynamic, flexible*" economy and "*a commitment to maintain and promote thriving town centres*". Paragraph 4.8 refers to "*the threat to the economic strength of the town centres of Warwick, Leamington Spa and Kenilworth from retail and leisure developments elsewhere*", a matter highlighted in the 2011 consultation which also set out the Council's intention to facilitate a level of retail and leisure growth that will meet existing and future needs and "*maintain and improve the vitality and viability of existing town and local centres*".

Paragraph 4.10 sets out the Council's Objectives to address the identified Issues including the intention to meet people's existing and future needs and maintain and improve the vitality and viability of existing town and local centres. However, whilst the Council intends that the Local Plan will identify the role of each of the town centres and plan for their future management and growth, the plan omits a firm intention to review existing outdated local plan policies. The Bank objects to that omission as it will result in a plan that is unsound, particularly as the Plan acknowledges the need *"to respond to the rapid changes taking place"* in the economy (Paragraph 8.5), emphasises the need for growth and flexibility (Paragraphs 8.6 & 8.7) and recognises the requirements of the NPPF to plan proactively and flexibly to respond to changes in the economy (Paragraphs 8.11 and 8.12). The Plan refers to the Council's draft 'Economic and Regeneration Strategy' which identifies 6 priorities including attracting investment and the growth of businesses (paragraph 8.17) and also to the Key Ambitions of the 'Coventry & Warwickshire LEP' which include creating an environment where businesses can thrive (paragraph 8.18). Section 9 on 'Retailing and Town Centres' confirms the need to *"maintain the economic strength of the town centres"* and the need for *"a strategy for future management and growth of the town centres to meet future needs"*. Despite this, Policy PO9 fails to facilitate either, compounding this by saying nothing at all about reviewing existing outdated town centre policies.

The Council's background technical paper (March 2011) relating to 'Retailing and Town Centres' refers to national planning policy in PPS4 and the need for enhanced consumer choice through the provision of innovative and efficient shopping, leisure, tourism and local services in town centres. It highlights the concerns in Leamington Spa about decreasing levels of pedestrian footfall and the limited amount of investment that has resulted in the town *"losing its competitive edge"*. The paper notes that in Warwick there has also been a decline in pedestrian footfall and a limited degree of retailer interest, resulting in a less than vibrant and robust centre. In the current Warwick District Local Plan 1996-2011 Policies TCP4 & TCP5 place arbitrary restrictions on non-A1 uses in primary and secondary frontages but these measures have clearly failed to prevent the decline in footfall and the consequent detrimental effect upon vitality and viability. The focus should be on the quality of the occupier, not on maintaining an arbitrary level of a particular use class. The Bank considers that the omission from the Preferred Options of a firm intention by the Council to review out of date policies relating to shopping frontages is unsound, particularly as those policies are in conflict with Government policy. We set out below the national policy background that necessitates such a review if the Council is to produce a Development Plan that is sound.

The National Planning Policy Framework (NPPF) re-emphasises the requirement for a Development Plan to be *"sound"* when it is submitted for Examination and that in order to be so it must be *"Positively prepared, Justified, Effective and Consistent with National Policy"*. The Government expects the local plan process to consider alternative strategies before deciding upon the most appropriate, that decision being based on evidence to support the choice (paragraph 182). The NPPF is clear that each LPA should *"ensure that the Local Plan is based upon adequate, up-to-date and relevant evidence"* and that their assessments and strategies *"take full account of relevant market and economic signals"* (paragraph 158).

On the matter of policy formulation the NPPF states that for plan-making:

- *"local planning authorities should positively seek opportunities to meet the development needs of their area"; and*
- *"Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change"* (paragraph 14).

The Government is clear that there should be a positive attitude to *“proactively drive and support sustainable economic development”* and to *“respond positively to wider opportunities for growth”*. Plans should *“take account of market signals”* and the needs of business communities (NPPF paragraph 17). *“Planning should operate to encourage and not act as an impediment to sustainable growth”* and *“significant weight should be placed on the need to support economic growth through the planning system”* (paragraph 19). Local Planning Authorities *“should plan proactively to meet the development needs of business”* (paragraph 20) and *“Investment in business should not be over-burdened by the combined requirements of planning policy expectations”* (paragraph 21). In drawing up Local Plans, local planning authorities should set out a clear economic vision and strategy which *“positively and proactively”* encourages sustainable economic growth; and should *“support existing business sectors, taking account of whether they are expanding or contracting”*. The NPPF confirms that *“Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances”* (paragraph 21). In his Foreword to the NPPF the Minister for Planning is very clear that *“Development means growth”* and that *“Sustainable development is about positive growth”*, emphasising that *“Planning must be a creative exercise in finding ways to improve the places in which we live our lives”*. This reflects HM Treasury’s commitment that *“the default answer to development is yes”* in its ongoing ‘Plan for Growth’, which was launched at the time of the Budget in 2011, reinforced in the 2012 Budget and now underpins the NPPF.

Keeping significant generators of footfall out of primary frontages will actively work against the achievement of the Council’s strategic objectives and is inconsistent with national policy. The Council should recognise the positive impact that financial service retailers such as the Bank have upon vitality and viability. The review of the local plan provides an opportunity to examine new evidence and to revise out-of-date policy, particularly if it is not consistent with national policy. Limiting certain Part A uses in the primary frontage undermines the Council’s intention to attract private sector investment in the town centre. The implication that only A1 uses are appropriate derives from very outmoded and discredited thinking that other uses such as banks detract from the vitality and viability of town centres. By definition, uses that fall within Part A of the Use Classes Order are appropriate in town centres as they are *“shopping area uses”* and are acceptable without any need for restriction or qualification. This is particularly the case for the financial services sector. ODPM Circular 03/2005 *“Changes of Use of Buildings And Land”* which accompanied the last major revisions to the Use Classes Order specifically states in relation to the A2 Financial and Professional Services use class (which was created to separate those uses *“serving the public, from other office uses not directly serving the public”* - paragraph 32), that the Class is also *“designed to allow flexibility within a sector which is very much a part of the established shopping street scene, and which is expanding and diversifying”*. The uses within Class A2 are noted as being those *“which the public now expects to find in shopping areas”* (paragraph 38).

The wider role played by town centres than a pure shopping function has been recognised throughout Government policy on town centres. Government Policy in PPS6, PPS4 and now in the NPPF particularly emphasises the importance of economic growth and the promotion of town centre vitality and viability. Paragraph 23 requires that *“Planning policies should be positive”* and states that local planning authorities should *“promote competitive town centres that provide customer choice”* and allocate a range of sites because it is important that needs for retail, leisure, office and other main town centre uses *“are met in full”*. The clear message is that *“local planning authorities should plan positively for their future to encourage economic activity”*. In fact there is nothing in Government policy that recommends or supports imposing restrictions upon acceptable town centre uses at all and indeed, as noted above, paragraph 21 of the NPPF requires flexibility in policies in order to allow a rapid response to changes in economic circumstances. It is therefore essential that Development Plan policies should facilitate the positive approach required by the NPPF.

Promoting vitality and viability in town centres are objectives of the Government and the Council. To succeed, town centres need to provide a full range of services and these often need to be located in ground floor premises in accessible locations. Indeed, Class A2 retailers such as the Bank routinely experience very high levels of customer visitation, contributing significantly towards pedestrian movement and therefore the vitality and viability of town centres. The Bank has undertaken a number of comparative footfall surveys in connection with its current acquisitions programme at its branches in various towns and cities in the UK (**copies are attached**). These conclusively show that the level of footfall associated with Bank branches is commensurate with, and often higher than, the best known national multiple Class A1 traders.

Banks also have moved away from the traditional style of frontage, preferring to have an open, visually interesting and attractive face to the 'high street'. The Bank has become increasingly retail in its presentation and has introduced an innovative 'flagship' branch design, which has been developed in association with its customers, to transform banking into what it terms as "*a retail focused experience*". The Bank estimates that some 10 million customers use its branches each week and through listening to their feedback, a design has been developed that meets their requirements for modern banking and provides branches similar in appearance and in operation to retail shops. This is an example of the "*changes in economic circumstances*" that the NPPF recognises and to which all Local Plans must positively and flexibly respond. Whilst the design of every new branch has to be flexible in order to be sensitive to the requirements of each building occupied, the aim is generally to ensure that over 70% of the internal space at ground floor is accessible to customers. The Bank's managers regularly report that upon the opening of a 'flagship' branch the customer visitation levels significantly increase and thus the level of activity helps to underpin pedestrian flows to the benefit of surrounding traders. It is therefore important that planning policy recognises the benefit of bank uses in fostering footfall and pedestrian activity and that it should not resist much-needed investment by financial service retailers.

The Bank's footfall surveys have been a key element in helping to change attitudes towards the presence of banks in core shopping areas and primary frontages. Even planning authorities that once strongly resisted Class A2 uses in their primary areas have granted permission for Barclays 'flagship' outlets. Examples of authorities that have recognised the wider benefits of the 'flagship' design (following receipt of applications which have been supported by evidence of high footfall), include Southampton, Reading, Manchester, Milton Keynes, Romford, Southend, Leicester, Plymouth, Sheffield, Kensington & Chelsea and Cambridge. Follow up surveys were carried out in 2010 at Milton Keynes, Southend, Reading and Southampton (**copies are attached**). In every case the new 'flagship' branch significantly increased footfall, confirming the Bank's beneficial effect on vitality and viability.

The Council's objectives will require major commitment and substantial investment by the private sector. Pursuing restrictive policies to keep significant generators of footfall such as the Bank out of primary shopping frontages will actively work against the achievement of those objectives and is an outdated and discredited approach. The Bank therefore considers that, in the light of its evidence, it imperative that the Council revises existing policies such as TCP4 and TCP5 as they are neither consistent with National Policy nor Justified. Proposed Policy PO9 does not do so and the Council's documents show no indication that it has gone through an objective process and audit trail of assessing alternatives to those existing policies, or that alternatives have even been considered at all. That is unsound.

3. Draft Infrastructure Plan

The Council has also invited comments on the Draft Infrastructure Plan as part of the current consultation. As this document evolves into an Infrastructure Delivery Plan, the Council should consider very carefully the balance between seeking contributions towards infrastructure from proposed development and threatening the viability of that development.

The NPPF is clear that *“Investment in business should not be over-burdened by the combined requirements of planning policy expectations”* (Paragraph 21) and that development proposals *“should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened”*. To ensure viability, any infrastructure contributions sought should still allow for *“competitive returns to a willing land owner and willing developer to enable the development to be deliverable”* (Paragraph 173).

4. Closing Comments

The Government has confirmed its commitment to HM Treasury’s ‘Plan for Growth’ and it is clear that the Council’s objectives will require major commitment and substantial investment by the private sector. In the light of our Client’s evidence and the Government’s determination set out in the NPPF that planning policies and their implementation must facilitate economic investment and growth, it is imperative that the Council uses the opportunity of the preparation and revision of its Development Plan to ensure that its planning policies in respect of bank and building society uses in designated shopping frontages are consistent with National Policy and fully justified by robust evidence. Up-to-date development plans are an essential element in providing support for economic growth and in taking Policy PO9 forward the Council must revise its current Local Plan retail policies TCP4 and TCP5 to provide that support for investment by stakeholders such as our Client and to ensure that the plan is sound. We trust that the Council will indeed take on board the Bank’s objections in the light of it being *“keen to hear the views of all interested parties to help us shape a draft Local Plan”* and the confirmation that these Preferred Options *“are not a final set of proposals for the Local Plan”* (Paragraph 3.3).

The Council’s recognition of the need for significant private sector investment in the town centres means that policies in the replacement local plan must give greater encouragement to appropriate Part A uses to invest and to improve the quality of their representation. Restrictive planning policies designed to keep significant generators of footfall such as the Bank out of primary shopping areas will actively work against the achievement of the Council’s objectives and is inconsistent with national policy. The Bank’s evidence of how it increases vitality and viability in primary frontages shows that there is considerable benefit in seeking to attract those A2 users such as banks who provide a high level of investment in, and maintenance of, their premises resulting in active and attractive street frontages. This will foster very significant footfall and pedestrian activity and attract investment by others, helping to provide the confidence and commercial viability necessary for any programme of regeneration and investment. To be Justified and Consistent with National Policy the emerging Local Plan must review existing out of date policies that restrict the presence of financial service retailers such as the Bank in designated frontages. If this is not done, the Council will risk the DPD being found unsound. **Policy wording should make it clear that uses such as shops, banks and building societies which contribute to the vitality, viability and diversity of town centres will be encouraged and that such active ground floor uses will be appropriate in all designated retail frontages without restriction.**

In view of the requirement for improved provision of banking services in Warwick District the Bank would like to confirm its continued interest in the Local Plan process and in that regard we shall be grateful if the Council will continue to notify us of the progress of this document as well as details of any other emerging LDDs.

Yours faithfully



Michael Fearn of Shireconsulting
On behalf of BARCLAYS BANK PLC