Report

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Camden Retail and Town Centre Study

London Borough of Camden

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1. Introduction

1.1 GVA were instructed by the London Borough of Camden to undertake a comprehensive and robust borough-wide review of retail provision within Camden's town centres and central London frontages to provide an update of the 2004 and 2008 Retail Studies, which are now out of date.

1.2 The study provides the Council's retail evidence base to inform the preparation of future development plan documents, the scope for future retail development in the Borough, and sets out a recommended strategy for the borough's six town centres and central London frontages (specifically Tottenham Court Road and Holborn central London frontages, but also having regard to the Kings Cross/Euston Road central London frontage.

1.3 The report provides up to date advice on the need for new convenience and comparison retail floorspace across the borough up to 2031. We examine the existing retail provision within the following town centres; Camden Town, Hampstead, Kentish Town, Kilburn High Road, Finchley Road/Swiss Cottage and West Hampstead. The report also reviews existing retail provision within the Tottenham Court Road and Holborn central London frontages.

1.4 Our work is underpinned by on-site and desk-based evidence gathering, and is supported by the findings from a new up-to-date household telephone survey, undertaken in January 2013 across 9 survey zones. In-centre shopper surveys were also undertaken within Camden Town, Hampstead and Tottenham Court Road. Our analysis of this data has been drawn together to inform our recommendations.

1.5 The study identifies current and future retail floorspace capacity for growth, and particular deficiencies relating to the centres, and advises on the appropriateness of retail frontages and town centre boundaries. This will enable the Council to plan positively for an appropriate scale and form of development within the Borough.

1.6 Within the Borough there are future retail opportunities arising within Camden's Growth Areas (Kings Cross, Euston, Tottenham Court Road, Holborn and West Hampstead Interchange) over the plan period. A separate exercise has been undertaken by GVA to consider the potential for accommodating additional retail floorspace within the Euston Growth Area as part of the wider redevelopment of Euston Station. As well as providing a key piece of the evidence base of the future Euston Area Plan, the findings of the report directly feed into this Study, particularly with regard to accommodating the identified need arising for additional retail floorspace in the Borough.

1.7 This study has been undertaken in accordance with the National Planning Policy Framework (NPPF). It also follows the DCLG Practice Guide on the Assessment of Need, Impact and Sequential Approach, prepared by GVA, which was not superseded by publication of the NPPF in 2012.

Structure

1.8 This report draws together the findings of our research and is structured as follows:

- **Section 2** summaries the national, London-wide and local planning policies relevant to retail planning within the London Borough of Camden;
- **Section 3** provides a review of the retail market, assessing commercial property trends likely to influence retailing across the borough;
- **Section 4** identifies the current shopping patterns in the study area, including key competing centres and their influence on the future role of the centres in Camden;
- **Section 5** reviews the findings of previous retail studies in relation to each centre and summarises the findings from our detailed qualitative audits of the retail and service offer in the town centre of Camden Town, Hampstead, Kentish Town, Kilburn High Road, Finchley Road/Swiss Cottage and West Hampstead and the central London frontages of Tottenham Court Road and Holborn (detailed health checks are provided in Appendix 1);
- **Section 6** outlines our methodology used to forecast the need to support additional retail floorspace in the Borough, and sets out the key findings from the global quantitative need assessment. The detailed quantitative analysis is attached in Appendix 4.
- **Section 7** considers the floorspace capacity for the individual town centres and central London frontages and considers opportunties to accommodate this.
- **Section 8** draws the analysis together and sets out our key conclusions and recommendations in respect of the current health and composition of the town centres and central London frontages, and the need and opportunities for future growth in these centres.

2. Policy Framework

2.1 In this section we review the relevant national, regional and local retail planning policies which provide the context and framework for this study. We also summarise the findings from previous retail studies.

National Policy

The National Planning Policy Framework (March 2012)

2.2 The National Planning Policy Framework (NPPF), published in March 2012, sets out the Government's planning policies for England and replaces the suite of national Planning Policy Statements, Planning Policy Guidance and Circulars with a single document.

2.3 The NPPF emphases that the planning system is plan-led, and therefore Local Plans, incorporating neighbourhood plans where relevant, are the starting point for the determination of planning applications. In line with the Government's aim to streamline the planning process, each Local Planning Authority (LPA) should prepare a single Local Plan for its area with any additional DPDs or SPDs to be used only where clearly justified.

2.4 In relation to retail, the NPPF maintains the general thrust of PPS4. It advocates a 'town centres first' approach, and requires planning policies to positively promote competitive town centre environments and sets policies for the management and growth of centres over the plan period. Paragraph 23 states that in planning for town centres, LPAs should:

- Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
- Define a network and hierarchy of centres that is resilient to future economic change;
- Define the extent of town centres and primary shopping areas, and set policies that make clear which uses will be permitted in such locations;
- Promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
- Allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development

needed in town centres. It is important that needs for retail and other main town centre uses are met in full and not compromised by limited site availability. LPAs should undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;

- Ensure appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available; and
- Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres.

2.5 Local plans should set out strategic priorities for the area and include strategic policies to deliver the provision of retail, leisure and other commercial development needed in the area to encourage economic activity.

2.6 LPAs should ensure that the Local Plan is based on adequate, up to date and relevant evidence about the economic, social and environmental characteristics of the area and take full account of relevant market and economic signals (paragraph 158). LPAs should use the evidence base to assess:

- The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including retail development;
- The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
- The role and function of town centres and the relationship between them, including any trends in the performance of centres;
- The capacity of existing centres to accommodate new town centre development;
- Locations of deprivation which may benefit from planned remedial action.

2.7 The Local Plan will be examined by an independent inspector whose role it is to assess whether the plan is sound. In order to be found sound the Plan should be positively prepared, justified, effective and consistent with national policy.

2.8 Overall the NPPF adopts a positive approach in favour of sustainable development and supports economic growth. Applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise. The NPPF is a material consideration in planning decisions.

Amendments to Permitted Development Rights for Change of Use

2.9 Changes to permitted development rights came into force on 30 May 2013 under the provisions of the Town and Country Planning (General Permitted Development)(Amendment)(England) Order 2013. These changes seek to speed up the process of bringing vacant premises back into beneficial use for a temporary period.

2.10 The changes to Class D permitted development rights mean that development consisting of a change of use of a building (of up to 150m) to a flexible use falling within either Class A1, A2, A3 or B1, or to a solely Class A1, A2, A3, A4, A5, B1, D1 or D2 use, is permitted development for up to two years.

2.11 Developers are required to notify the Local Planning Authority (LPA) of the date that the site will begin to be used for the change of use of the building. At the end of the temporary two year period, the site will revert to its previous lawful use.

Regional Policy

The London Plan (July 2011)

2.12 The London Plan was adopted in 2011 and sets out a London-wide spatial strategy to guide development in the capital. The London Plan identifies strategic priorities for the Central Activities Zone (CAZ) which covers the southern part of the London Borough of Camden (Policies 2.10 and 2.11). Alongside business uses, policies seek to enhance and expand retail capacity to meet strategic and local need in the CAZ frontages, which include Tottenham Court Road and Holborn. Tottenham Court Road also falls within the West End Special Retail Policy Area (WESRPA) which seeks to support retail and leisure provision of national, city-wide and local importance.

2.13 Policy 2.13 of the London Plan identifies Euston, Kings Cross and Tottenham Court Road as Opportunity Areas with significant capacity to accommodate new housing and commercial development. Holborn and the West Hampstead Interchange are identified as Areas for Intensification which have capacity to support high density redevelopment.

2.14 Policy 2.15 and Annex 2 identifies London's network of town centres. Within the Borough of Camden, Camden Town and Kilburn are identified as major centres. Hampstead, Kentish Town, Finchley Road/Swiss Cottage and West Hampstead are identified as district centres. Euston Road, High Holborn/Kingsway, Tottenham Court Road and Charing Cross Road are identified as CAZ frontages, while Kings Cross has potential to become classified over the plan period as a CAZ frontage.

2.15 The London Plan requires LPAs to identify town centre boundaries, primary and secondary shopping areas and set out policies for each type of centre, and also identify smaller centres to provide neighbourhood centres to serve day to day shopping needs. Declining centres should be managed proactively, considering the scope for consolidating and strengthening centres and promoting diversification.

2.16 Policies 4.7 and 4.8 advocate the national retail policy tests which seek to resist inappropriate out of centre development, requiring a sequential approach to site selection to be undertaken. LPAs should identify future levels of retail need and bring forward capacity for additional comparison goods retailing particularly in international, metropolitan and major centres. Convenience goods retailing should be supported at the district, neighbourhood and local level. In areas which are under-served for local convenience goods, additional facilities at an appropriate scale should be provided in accessible locations. In addition LPAs should support retail diversity, including the range of London's markets to improve their management, enhance their offer and contribute to the vitality of town centres.

2.17 Paragraph 4.40 identifies that London has a need for an additional 1.3 – 2.2 million sqm gross comparison goods floorspace by 2031 (including deductions for pipeline commitments) (GLA, 2009). Approximately half of this need is arising in outer London, and a quarter in the CAZ. Paragraph 4.42 identifies that there will be capacity to support an additional 0.1 - 0.3 million sqm gross convenience goods floorspace up to 2031, although this figure will be lower if pipeline developments are built out.

2.18 Annex 2 sets out strategic guidance on the broad future direction envisaged for defined centres. Kilburn, Camden Town, Hampstead, Kentish Town, Finchley Road/Swiss Cottage, West Hampstead, Euston Road CAZ frontage, High Holborn/Kingsway CAZ frontage, Tottenham Court Road CAZ frontage and Charring Cross Road CAZ frontage are identified as location with moderate demand for growth and capacity to accommodate it. Kilburn, Kentish Town, Euston Road CAZ frontage and High Holborn/Kingsway CAZ frontage are also identified as being in need of regeneration.

Town Centre Supplementary Planning Guidance (draft January 2013)

2.19 The draft version of the GLA Town Centres SPG was available for public consultation until May 2013. The document does not set new planning policy and does not form part of the development plan, however the SPG explains how London Plan policies should be interpreted and will have weight as a material planning consideration when determining planning applications.

2.20 The Mayor encourages town centres to develop their strengths to fulfil their strategic role and potential. Where retail assessments identify retail capacity, local plans should facilitate the extension of the retail offer, however where there is little or no capacity arising town centres should consider broadening their functional base by encouraging diversification to leisure, night time economy, cultural, civic and residential uses.

2.21 In terms of vacancies, it will be important for LPAs to measure the extent of vacancy issues, including vacancy levels, rates, length of vacancies, repeat vacancies and specific units which are difficult to let. In order to overcome vacancy problems the Mayor advocates securing temporary uses of vacant properties for pop up shops, new business start-ups, creative and community spaces (including 'meanwhile' leases) and temporary planning applications or Local Development Orders for changes of use.

2.22 The draft SPG encourages LPAs to plan for a diversity of town centre uses including: a strong retail mix of comparison, convenience and specialist retail; a positive contribution of restaurants, cafes and leisure uses; clustering leisure uses including takeaways and night time economy uses; recognising the value of live music venues as part of a broader cultural offer; developing a 'brand' through the promotion of clusters of cultural activities to provide 'cultural quarters'; providing a range of unit sizes; securing appropriate provision of small shops where viable; and reviewing local plan policies regularly to allow the mix of retail and other uses in town centres to evolve over time to remain competitive.

2.23 Street markets provide tangible social and economic benefits to communities and businesses and LPAs should consider: enhancing existing markets or creating new ones; ensuring that markets remain attractive and competitive; adopting proactive approaches to management; and harnessing the tourism contribution of markets.

Local Policy

Camden Core Strategy (adopted November 2010)

2.24 Camden's vision is to be a borough of opportunity, with growth focused primarily in growth areas and highly accessible locations. The Council's key policies to support retail development over the plan period are set out below:

2.25 **Policy CS1 and CS2** set out the Council's approach to growth and development. The Council will focus growth in Growth Areas including Kings Cross, Euston, Tottenham Court Road, Holborn, West Hampstead Interchange and other highly accessible locations. The Council will promote efficient use of land and buildings in the Borough and expect development to maximise site opportunities and provide appropriate links to surrounding areas and communities in accordance with the Council's aspirations.

2.26 **Policy CS3** states that the Council will promote appropriate development within highly accessible locations, including Central London (outside of the Growth Areas) and the town centres of Camden Town, Finchley Road/Swiss Cottage, Kentish Town, Kilburn High Road and West Hampstead. Appropriate edge of centre locations will also be promoted. The provision of homes, shops, food, drink and entertainment uses, offices and community facilities are considered suitable within these locations. **Policy CS4** seeks to limit change in areas outside growth areas and highly accessible locations.

2.27 **Policy CS7** promotes the following distribution of retail growth across the borough:

- approximately 20,000 sqm net retail floorspace at Kings Cross/St Pancras;
- approximately 20 – 30,000 sqm additional retail at Euston and Camden Town;
- additional provision as part of redevelopment schemes in growth areas; and
- some provisions in other town centres and Central London Frontages where opportunities emerge.

2.28 **Policy CS7** establishes the following retail hierarchy of centres within the borough:

- Central London Frontages – Tottenham Court Road/Charing Cross Road, Holborn, Kings Cross/Euston Road

- Town Centres – Camden Town, Kilburn High Road, Finchley Road/Swiss Cottage, West Hampstead, Kentish Town, Hampstead
- Neighbourhood Centres – There are over 30 neighbourhood centres designated in the Borough.

2.29 In line with the NPPF, the sequential approach will be applied to applications for town centre uses outside of town centres, central London frontages and neighbourhood centres. The Council will also support the limited provision of small shops to meet local needs and appropriate retail provision in specialist shopping areas (including Covent Garden, Hatton Garden, Museum Street, Drummond Street and Denmark Street). The Council seek to ensure development is of an appropriate scale and character; provides a range of shops, services, food, drink and entertainment uses, but makes certain that leisure services do not harm the centre; and protects and supports small/independent shops/markets.

2.30 The Council set specific planning objectives for each town centre. In **Camden Town** the Council seek to improve the street and pedestrian environment, improve safety, continue provision of small shop units, support creative industries, manage the balance of retail and leisure uses, provide a well-managed night time economy, promote high quality design and to protect and promote the markets. In **Kilburn High Road** the Council will enhance street and public spaces, promote a shopping core in the centre with larger units, a cultural zone in the north and a mixed use zone in the south, and the Council will seek to improve perceptions of safety.

2.31 In **Finchley Road/Swiss Cottage** the Council will support the core shopping area and manage the location of leisure uses on residential amenity, it seeks to improve pedestrian links across Finchley Road, promote enhancements to the local environment and improve gateways in to the centre from east and west routes. In **West Hampstead** the Council will provide a mix of uses to service the local area but avoid further loss of ground floor retail units, it will also improve the transport interchange and control the location and concentration of food, drink and entertainment uses on residential amenity.

2.32 In **Kentish Town** the Council will support the character and retail role by managing proportions of non-retail premises, provide street and public space enhancements, reduce the impact of traffic on the centre and improve the canopy area next to the station. The Council will seek to protect the special character of **Hampstead** by expecting high quality design, providing small scale street and public space improvements and focus shopping provision in the core of the centre.

2.33 The Council seek to ensure that the **Tottenham Court Road/Charing Cross Road** central London frontage promotes and preserves the specialist retail character of the area, support the expansion of retail uses along New Oxford Street, pursue significant improvements to the pedestrian environment, traffic enhancements and prevent crime. In **Holborn** the Council seek to increase the availability of ground floor retail uses to create active public spaces, manage the level of shops and food and drink premises, manage the night time economy, improve pedestrian linkages to the West End and prevent crime.

2.34 Within the **Kings Cross/Euston Road** central London frontage the Council wish to encourage the provision of active ground floor uses. In the eastern part of the frontage the Council seek to resist the loss of retail and resist additional food and drink uses. In the west, the Council will permit additional food and drink uses provided it does not undermine the area's retail function and mix of uses. In addition improvements to the pedestrian street scene along the frontage will also be supported.

2.35 **Policy CS8** promotes a successful and inclusive Camden economy and recognises that alternative employment generators, including retail, play an important role in the economy. **Policy CS9** supports the Central London area as a successful and vibrant part of Camden. The Council will support the focus on residential, office, hotel, shops and other uses within this area.

Camden Development Policies (adopted November 2010)

2.36 Camden Development Policies DPD sets out detailed policies that the Council use for the determination of planning applications in the Borough.

2.37 **Policy DP1** requires a mix of uses in development, where appropriate, in all parts of the Borough. In the Central London Area (excluding Hatton Garden) and the town centres of Camden Town, Finchley Road and Kilburn High Road, where more than 200 sqm gross additional floorspace is provided, the Council require up to 50% of all additional floorspace to be housing. The Council will require any such secondary uses to be provided on site, particularly when over 1,000 sqm gross floorspace is proposed. The Council will take into account the character of development; the site and area; the extent of additional floorspace; the need for an active street frontage; the viability; the sole land use when a mix of uses is sought.

2.38 **Policy DP10** sets out the Council's ambition to encourage the provision of small shops. The policies state that the Council will expect large retail developments to include a proportion of smaller units and that the Council will condition permissions to ensure units are not amalgamated. Independent occupiers must be encouraged through affordable rents. Councils will also resist granting planning permission for the net loss of retail floorspace outside designated centres.

2.39 **Policy DP11** seeks promotion and protection of markets in Camden. The Council will resist the permanent loss of market uses; consider the character when assessing proposals for refurbishment of markets; and support new markets.

2.40 The Council wish to ensure that development of shopping, services, food, drink, entertainment and other town centre uses does not cause harm to the character, function, vitality and viability of a centre (**Policy DP12**).

Camden Site Allocations (September 2013)

2.41 The Site Allocations document, adopted in September 2013, sets out the Council's proposals for land and buildings of significant sites which are likely to be subject to development proposals during the plan period. Key retail site allocations within the town centres and central London frontages are outlined within Appendix 1.

Camden Planning Guidance 5 – Town Centres, Retail & Employment Supplementary Planning Document (adopted 2011, revised 2013)

2.42 In 2011 and 2013 the Council adopted a range of Planning Guidance Documents to support the LDF policies. The SPD aims to ensure that all major new retail uses are located within growth areas or town centres and protect the retail function of existing town centres by ensuring a high proportion of premises are in shopping use. The guidance applies specific guidance to each town centre and Central London Area.

2.43 In line with the NPPF and the London Plan, new retail uses should be appropriate to the size, character and role of the centre in which it is to be located. Where proposals are made outside of town centres, sequential approach testing will be required. Large retail proposals outside of the retail hierarchy will also require an impact assessment.

2.44 The Council aim to maintain a high proportion of retail uses within town centres by designating restrictions at a town centre level. The Council set frontage targets for Class A1 uses for Core and Secondary Shopping Frontages, and in some instances for Class A3, 4 and 5 uses.

2.45 The SPD also incorporate specific guidance for food, drink, entertainment and specialist retail uses in Central London.

2.46 Central London Frontages generally have an international, national or London-wide role in the shopping services that they provide, including a range of comparison or convenience goods and services for the local resident, worker and visitor populations. The Guidance identifies three distinct areas; Tottenham Court Road/Charing Cross Road, Holborn (High Holborn/Holborn and Kingsway) and Kings Cross/Euston Road.

2.47 The Guidance states that where there are ground floor offices or other uses that do not contribute to the centres' character and function, planning permission will be granted for the creation of new shop premises or other appropriate uses. New development will be expected to contain appropriate ground floor uses in line with mixed use requirements.

2.48 Central London Frontages are considered to be appropriate locations for new food, drink and entertainment uses. However, the Council seek to balance this provision with the need to protect the retail function of the frontages.

Draft Euston Area Plan (July 2013)

2.49 The Council have worked alongside the Greater London Authority and Transport for London to produce the draft Euston Area Plan (EAP). The document was available for public consultation between July and October 2013. The Euston Area Plan will help to shape change in the area over the next 20 years, considering the new High Speed rail link (HS2).

2.50 The draft EAP, based on evidence prepared by GVA, identifies a strategic principle (EAP1) that up to 20,000 sqm of new retail (use classes A1-A5) of which around 50% should be A1 shops, could be delivered to meet demand from Euston station, contribute to vibrant streets and reinforce the role of existing centres. This figure would deliver net growth of up to 16,450 sqm of retail (A1-A5 uses), as well as the re-provision of around 3,550 sqm of existing retail at Euston Station. The Draft EAP focuses retail towards the Euston station site, and towards the Euston Road Central London Frontage where opportunities emerge, along with smaller scale retial to meet the needs of local communtiies in neighbourhood centres and along key streets.

2.51 The draft Euston Area Plan anticipates that a significant proportion of the overall retail provision at Euston (at least 5,000 sqm) could serve Euston station passengers only, and should be predominantly food and drink led with ancillary convenience and comparison goods retail. The draft EAP also states that retail provision over this ancillary level could change the role of the station area, and therefore any future application must undertake a robust assessment of the impact of retail development at the station on centres within and outside the Euston Area Plan boundary.

Previous Retail Studies

Camden Retail Study (2004)

2.52 The 2004 Retail Study was used to inform the Camden UDP and assessed need for additional retail floorspace based on population, expenditure per head, existing and committed floorspace and market shares derived from survey work, with a base year of 2003 and projections at 2006, 2011 and 2016.

2.53 Eight survey zones were established, covering the whole of Camden and neighbouring boroughs. The assessment was made on the basis that collectively all the centres within the Study Area would maintain the prevailing market shares in the forecast years. The identified need was driven by the population growth in the area and the continued rise in per capita expenditure forecast.

2.54 The net floorspace requirement for comparison goods in 2006 was 6,300 sqm, increasing to 19,000 sqm in 2011 and to 33,700 sqm in 2016. Commitments absorbed the majority of the short term convenience goods capacity arising up to 2006, however by 2011, there was an anticipated floorspace requirement of 2,400 sqm, rising to 4,600 sqm by 2016.

Camden Retail Study (2008)

2.55 The Retail Study update was prepared in 2008 to inform the preparation of the Care Strategy following the same methodology used in the previous study to assess the future comparison and convenience floorspace needs. The base year was set at 2008, with projections at 2012, 2017, 2022 and 2027.

2.56 The anticipated net floorspace requirement for comparison goods was forecast to grow from approximately 3,500 sqm in 2012, to 9,000 sqm in 2017, rising to 17,000 sqm in 2022 and to 26,500 sqm in 2027. However, if the Brent Cross extension is built out by 2017, the net floorspace requirement for comparison goods is reduced to provide approximately 3,500 sqm in 2012, increasing to 5,000 sqm in 2017, rising to 13,000 sqm in 2022 and to 22,500 sqm in 2027. The study recommended that comparison floorspace could be accommodated through redevelopment of existing retail, coupled with some additional development at the Opportunities Areas and Areas for Intensification.

2.57 The anticipated net floorspace requirement for convenience goods was forecast to grow from approximately 901 sqm in 2012, to 1,432 sqm in 2017, rising to 2,840 sqm in 2022 and to 4,733 sqm in 2027. If the Brent Cross extension is built out by 2017, the net floorspace requirement for convenience goods was forecast to remain at 900 sqm in 2012, and reduce to 1,351 sqm in 2017, to 2,758 sqm in 2022 to a total of 4,649 sqm in 2027. The study considered that the limited requirement for convenience floorspace could be accommodated through small scale extensions to existing stores in the short to medium term, with scope for a new foodstore in the longer term.

2.58 The study concluded that the West End (43%) dominates the market share draw for comparison goods and Camden's centres retain less than 20%. The convenience shopping patterns show a much more localised draw and indicate that individual stores within the Study Area are performing well.

Relevant Government Research

The Portas Review (December 2011)

2.59 In May 2011, Mary Portas was appointed to lead an independent review into the future of the high street, in response to the effects of the recession on the retail industry and local high streets in particular.

2.60 The report suggests measures to tackle the further decline of the high street. Amongst 28 separate recommendations in the report, there is a call to strength policy in favour of 'town centres first' following the publication of the draft NPPF. In summary the recommendations aim to:

- Run town centres like businesses: by strengthening the management of high streets through 'Town Teams', developing the BID model and encouraging new markets;
- Get the basics right: by looking at how the business rate system could better support small businesses and independent retailers, encouraging affordable town centre car parking and looking at further opportunities to remove red tape on the high street;
- Level the playing field: by ensuring a strong town centre first approach in planning, introduce Secretary of State 'exceptional sign off' and encouraging large retailers to show their support for high streets by mentoring local businesses;
- Define landlords' roles/responsibilities: by looking at disincentives for landlords leaving properties vacant, and empowering local authorities where landlords are negligent and making proactive use of Compulsory Purchase Order powers; and
- Give communities greater say: by including the high street in neighbourhood planning and encouraging innovative community uses of empty high street spaces.

2.61 The Government published its formal response to the Portas Review in March 2012, which accepted the majority of Portas' recommendations. It announced that 'Portas Pilot' towns will set up Town Teams to create plans for the future of their high streets. In addition, the Government will provide investment to help Business Improvement Districts (BIDs) access loans for set-up costs and funding for a Future High Street X-Fund to reward towns which are delivering innovative plans to bring their town centres back to life. The Government also supports a National Market Day in June and plans to double small business rate relief.

2.62 The Government supports community involvement in the redesigning of their high streets to reinvigorate areas of decline, to increase footfall and encourage people to live in their town centres. However, the Government did not support the call to introduce Secretary of State 'exceptional sign off' for all new out-of-town developments and require all large new developments to have an 'affordable shops' quota. The Government states that LPAs are best placed to understand local needs and 'exceptional sign off' is contrary to the Government's ethos of devolution. As such, the Government will continue to use the call-in power sparingly.

2.63 During May and June 2012, the Government designated a total of 27 Portas Pilot towns throughout England, each which receive funding of up to £100,000; a dedicated contact point in government to provide advice and support; free support from retail industry leaders, including Mary Portas' team and other sector experts; and the opportunity to meet and discuss with fellow pilots to share experience. One year on, a Freedom of Information request revealed that only 13% of funds had been spent in the pilot towns by March 2013, indicating that putting innovative schemes into action is difficult, and the majority of the Portas pilot towns have faced increasing vacancy rates over the last year.

2.64 The Future High Street Forum has been set up by central Government to seek to; relax planning restrictions in order to increase flexibility of pop up shops in empty units, facilitate better parking provision and encourage the online offer alongside (rather than instead of) high street stores. In May 2013 the Government identified seven towns across the country to receive a share of the £1m High Street Renewal Fund, including Herne Hill in London. Funds will be put towards innovative ideas to revitalise town centres.

Understanding High Street Performance (December 2011)

2.65 The department for Business, Innovation and Skills (BIS) published a report exploring factors impacting on the economic and social performance of town centres and high streets. The study identifies key issues that the public, private and third sectors need to take into consideration when taking action or investing in high streets. The study identifies a range of influencing factors which have stimulated and affected change on the high street:

- Externalities – despite planning policies to protect town centres, high levels of retail and landlord debt and public spending cuts have squeezed consumer spending;
- Spatial and Physical Factors – large format stores, accessible by car and where shopping is done under one roof, dominate the market to the detriment of traditional high streets.
- Market Forces – the growth in market share of out-of-centre shopping centres, major supermarkets and retail parks in comparison to town centres, demonstrates that consumers are voting with their feet; and
- Management – high streets are difficult to manage and as a result are disadvantaged compared with supermarkets and shopping centres.

2.66 The study states that for retail based high-street performance the broad suggest this will continue to be increasingly challenging. Town centres will continue to be impacted by the growth in out-of-centre retail, supermarkets non-food sales, and the internet. It is emphasised that the high street of the future will need to differentiate itself from shopping centres, as a social space with a range of functions.

2.67 The report concludes that the traditional high street faces a number of challenges, not least from the tightening of retail spend and changing consumer behaviour, but also from increasing competition posed by the internet and out-of-centre developments. Whilst the future is uncertain, strategies which support the high street are considered ever more vital.

Summary

- The NPPF was adopted in March 2012 and replaces former national planning guidance including PPS4. The NPPF maintains the general thrust of PPS4 and advocates a 'town centres first' approach. It requires planning policies to positively promote competitive town centre environments and to manage the growth of centres over the plan period so that needs for retail uses are met in full and are not compromised by limited site availability.
- The London Plan (2011) identifies the network of town centres in London. The Plan supports the provision of significant amounts of comparison goods retail primarily to the higher order international, metropolitan and major centres and supports the provision of convenience goods retail in district, neighbourhood and local centres to support more localised and sustainable shopping patterns.
- The Camden Core Strategy (2011) identifies the retail hierarchy of the Borough and planning priorities for each town centre. Retail development will primarily be directed to Kings Cross/St Pancras in the first instance (20,000 sqm net), then Euston and Camden Town 20-30,000 sqm net), with additional smaller scale retail development in growth areas, town centres and other central London frontages.
- In accordance with the draft Town Centres SPG and Portas Review, we consider that over the plan period it will be important for the Borough to continue to develop the key strengths and unique selling points of each town centre in order to adapt and innovate in response to the challenges facing town centres. Whilst it should be a priority that the core function of town centres should remain to be retail focused, in light of Government research there will be circumstances where a broader town centre function should be considered and diversification encouraged to enable centres in Camden to compete effectively with other centres over the longer term.

3. Retail Market Review and Town Centre Trends

3.1 Since the previous Camden Retail study was undertaken in 2008, there have been significant alterations to the strength of the national economy and the major changes in retail trends. To put our assessment of the quality of existing retail provision and the need for additional retail floorspace in to context, it is important to review the current retail market and social trends likely to influence future retailing in the study area. This ensures our approach and recommended strategy is relevant to the current retail market. Our review draws on published data sources, including research by Experian and Verdict.

Economic Outlook

3.2 Advice published by Experian (Retail Planner 10, September 2012) identifies that the UK economy is continuing to struggle following the recession as a result of weak domestic demand, declining disposable incomes, low levels of investment and reduced government spending. Household spending has been in decline since 2007, however Experian expects that as inflation continues to ease steadily, household finances will gradually improve, reverting back to modest growth in 2013. Expenditure on retail goods has remained more resilient, with households cutting back on big ticket items, but continuing to spend on other items resulting in a rise in overall retail sales.

3.3 Over the short term, Experian expect economic growth to remain muted, although there may be a modest revival in household consumer spending. Looking at the outlook for the medium term, Experian predict annual average GDP growth of 2.3% between 2015 and 2019; which is less buoyant than before the recession due to tight government finance, household debt and higher levels of savings. Over the longer term the economy is predicted to improve, however due to continuing fiscal restraint this growth is likely to be constrained.

3.4 Within London, the retail sector appears to be more resilient to the impacts of the recession than other regional and smaller centres. New retail developments on Oxford Street and Regent Street (including the opening of new flagship stores), as well as the opening of Westfield Stratford City, and plans for Brent Cross and Corydon, illustrate the significant confidence in Central London and metropolitan centres.

Sales Efficiencies

3.5 An efficiency growth rate represents the ability of retailers to increase their productivity and absorb higher than inflation increases in their costs (e.g. rent, rates and service charges) by increasing their average sales densities. Applying a turnover 'efficiency' growth rate is a standard approach used in retail planning studies and has been used in this study in accordance with good practice.

3.6 Following the recession, many retailers have struggled to increase or maintain sales density levels, and together with other financial problems, have led some retailers into closure. With the expectation of weaker expenditure growth, sales density growth is also expected to be significantly lower than the high rates seen during the boom of the 1990s. Experian expect an efficiency growth rate of c.2.1% between 2014 and 2019, falling to 1.8% post 2020 for comparison goods. Scope for increased sales densities is much more limited for convenience goods. An efficiency growth rate of 0.1% per annum between 2014 and 2019, and 0.2% per annum post 2019 have been incorporated into our analysis.

Changing Retailer Requirements

Space Requirements

3.7 During the recession some independent retailer's margins have become too tight to survive and some multiple retailers have either collapsed or have shrunk their store portfolios after entering administration (recent high street retailers to fall in to administration include HMV, Blockbuster, Jessops and Comet). This has led to a decline in the amount of occupied retail space in town centre locations. These losses have not been offset by new developments as many town centre schemes have been put on hold or scaled downwards during the recession. With online presence allowing national coverage, it is expected that retailers will remain cautious about store expansion.

3.8 Retailers are starting to open larger flagship stores in strategic locations, supported by smaller satellite stores and transactional websites. The larger flagships accommodate the fuller range while smaller stores offer a more select range supplemented by internet kiosks allowing access to the wider range. This model of polarisation offers many advantages to retailers including lower property costs, more efficient logistics and being able to open stores where there is a high level of demand despite there being space restrictions.

3.9 The polarisation trend will result in larger dominant centres continuing to attract key retailers (where space is available), with a negative impact on smaller centres, where stores may close. Subject to being able to provide suitable large units, the larger centres in Camden (e.g. Tottenham Court Road and Camden Town) are clearly well placed to benefit from these trends, whilst smaller centres such as Kentish Town may struggle to attract key retailers.

Out of Centre Retailing

3.10 As retailers opt to develop stores in the most strategic and cost effective locations, there has been a notable resurgence to out of centre destinations which offer benefits of lower rents, larger retail units and in most cases, free car parking. According to Verdict, out of town retailing in the only channel which has seen store numbers increase consistently since 2000. BIS report that the number of out of centre stores has increased by up to c.1,800 (25%) since 2000; whilst the number of town centre stores fell by almost 15,000 between 2000 and 2009, the majority of which are likely to have been in 'high street' locations.

3.11 Many traditional town centre retailers have developed an out of town store format, including John Lewis, who operate a number of 'At Home' stores in out of centre locations, and other retailers such as Next, Primark and H&M.

The Role of the Town Centre

3.12 The town centre has been the main shopping channel for the last 30 years. However, its role is set to change dramatically. Emerging trends suggest that it will be used more for leisure and social activities with more bars, restaurants, food outlets and community spaces opening in vacant units. It will be important for Camden to protect its non-retail offer to provide an attractive shopping and leisure experience that cannot be provided online.

3.13 As retailers improve their multichannel offer, town centre stores will be used more to support e-retailing with click and collect points and safe drop boxes for customers to collect their online orders as well as satellite stores opening for customers to make online purchases. As demand for retail floorspace declines, it is anticipated that more secondary and tertiary space which suffers from lower levels of footfall will increasingly be converted into alternative town centre and residential uses.

3.14 In order to ensure that town centres have a viable function moving forwards, it will be important for Councils to drive footfall and increase dwell time to improve awareness of offers and impulse purchases. This can be achieved by getting a better understanding of the catchment area and what local people want, improving the mix of retail and non-retail outlets in the town to make them stay longer. For town centres such as Camden Town and Hampstead it will be important to maintain their 'unique selling point' to differentiate them from the competition and encourage people to continue to visit. For smaller centres, such as Kentish Town and Finchley Road/Swiss Cottage it will become increasingly important to create a differentiated offer, tailored to the local catchment to encourage local residents to shop and spend time socialising locally.

The Internet, Multichannel Retail and Technology

3.15 Online shoppers in the UK account for 77% of all internet users, and in 2011 it was estimated to represent 30.7 million online shoppers[1]. In 2008 retail growth rates peaked at 30% growth and since then the market has matured, with most retailers now having an online presence. Between 2012 and 2017, Verdict anticipates that online sales (as a share of retail spend) will grow from 10.5% to 14.9%. By 2017, Verdict estimates that the online retail market will be worth almost £50 billion, with one pound in every seven that is spent on retail accounting for online sales[2].

3.16 The growth in online sales will reduce the need for so many bricks and mortar stores, however, the growth in multi-channel retailing (for example click and collect services), will ensure that the need remains for some physical stores. High streets will need to compete with the choice that online retailing provides. This will not only be driven by the price and range of products, but also by service and expertise. Online shopping has driven expectation of convenience and service upwards and customers now expect more from in-store ambience to tempt them to make a purchase[3]. Town centres and high streets will increasingly have to provide a shopping 'experience' that the internet is unable to match.

[1] Verdict Research, "e-Retail in the UK 2012", September 2012
[2] Verdict Research, "UK Online Retail Annual Forecasts 2012-2017", November 2012
[3] Verdict Research, "How Britain Shopping: Overall 2011", March 2011

3.17 Trends indicate that the online and in-store shopping channels are becoming gradually more blurred as shoppers increasingly research purchases online or in stores before making purchases. According to Verdict, in 2010 63% of shoppers researched goods online before purchasing in store (an increase from 54% in 2007). At the same time, it is estimated that 29% of customers research purchases in store before buying online, representing a high increase from 13% in 2007[4].

3.18 Within the clothing, footwear, food and furniture sectors, major opportunities remain for internet sales growth. Key drivers of growth include more sophisticated online offers from retailers, increasing consumer confidence and perceptions of e-retail, the increase in click and collect services, and the continued growth of smartphone and tablet devices.

3.19 M-commerce (sales through mobile devices), will become increasingly important as the usage of tablet computers continues to grow. Verdict predicts that m-commerce will account for 22% of the online market by 2017 (in 2012 m-commerce sales only account for 7% of online sales). New technologies such as QR Codes (Quick Response Codes) have increased consumer and retailer interaction, enabling customers to scan QR barcodes on their mobile phones to gain direct access to the product website.

3.20 While the internet and new technologies pose challenges to the high street, retailers are constantly looking for ways to exploit trading opportunities available through offering a multichannel shopping experience. The advantages of physical stores, in terms of the overall shopping experience and immediacy of products, will see a network of key stores remain a fundamental component of retailer's strategies to provide an integrated multichannel retail proposition.

Retail Sector Trends

Food and Grocery

3.21 Despite on-going space expansion by the Big Four supermarkets, sales volume growth is anticipated to decline as retailer coverage reaches peak levels. In 2011, Tesco and the Co-operative gained a presence in every postcode in the UK. As a result retailers are likely

[4] Verdict Research, "UK e-Retail 2011", May 2011

to cut back on levels of expansion and focus on redevelopment and refurbishment of existing stores, with the remaining expansion focusing on areas of under representation where there can be gains in market share.

3.22 Developing smaller store formats for top up food shopping will also become increasingly popular in response to consumers seeking to reduce waste by moving from weekly shops to frequent smaller shops, or being discouraged from travelling long distances by high fuel prices. Following in the path of Tesco and Sainsbury's, Asda, Morrisons and Waitrose are all expanding smaller concept stores, with Morrisons recently acquiring 49 Blockbuster stores to open their new M Local convenience format stores. Food retailers will continue to develop online offers to meet increasing consumer demand for convenient food shopping, whilst click and collect services will ensure that online customers are brought in to stores[5].

Clothing and Footwear

3.23 In 2015, Experian estimate that the clothing and footwear sector will represent 15.7% of all retail spend (increasing slightly from 14.7% of retail spend in 2010). Low levels of consumer confidence in addition to high prices are expected to keep clothing and footwear sales volumes low. Premium and luxury brands will continue to maintain their consumer appeal, encouraging sales through their quality products. Growth from value clothing and footwear retailers will become more subdued as they seek to ensure their profitability[6].

Premium and Luxury Goods

3.24 More affluent consumers have been able to maintain a higher level of personal and discretionary spending during the recession and therefore the premium and luxury goods sector has remained relatively strong and resilient in comparison to other retail sectors.

Electronics

3.25 The electronics sector is set to face continued pressure and further decline over the short term as a result of the unwillingness of consumers to spend on electrical items. In this

[5] Verdict Research, "UK Retail Forecasts to 2015", February 2012
[6] Verdict Research, "UK Retail Forecasts to 2015", February 2012

climate, retailers at the value end (e.g. supermarkets) and premium/aspirational end (e.g. Apple or John Lewis) of the market will be the most successful, whilst mid-range retailers will continue to be squeezed.

Homewares

3.26 Growth in the homeware market has been heavily reliant on the recovery of the housing market which has remained weak and growth in this sector is expected to remain largely stagnant until 2014. Limited disposable incomes have limited spending power and has caused more people to stay at home which has encouraged spending on lower price homeware items as people see to make the home more enjoyable to use and entertain in.

Music, Video and Books

3.27 Overall the music and video sector size has shrunk by a quarter since 2006, while online sales have doubled. As a result of an increase in music and video streaming (e.g. Spotify and Netflix), Verdict expect that online music and video sales will reach saturation point by 2016, by which point online sales will account for 97% of sector sales.

3.28 Online is expected to overtake in-store book sales by 2016, and Verdict predict online sales will account for 70% of total book spend. Growth in this sector will be largely driven by the increased uptake of e-reader devices (e.g. Kindle), and the lower price of e-books compared to hard copies. Book shops will become increasingly reliant on driving customer loyalty and hosting in store events to increase dwell time.

Summary

- It is evident that the traditional high street faces a number of challenges, not least from the impacts of the recession, including tightening of retail spending and changing consumer behaviour, but also from increasing competition posed by the internet, multichannel retailing and out of centre developments.
- In light of this, town centre strategies which support the high street are considered ever more vital. This may involve providing a high quality shopping 'experience', maximising the benefits of tourist trade, and improving the mix of retail and non-retail outlets to increase length of stay.

- It will be important for town centres to be well positioned to be able to adapt to on-going changes in the retail and leisure sector over the development plan period. It will be crucial for the town centres in the Borough to reaffirm their unique selling points which differentiate their retail offer from other centres and to encourage shoppers to maximise dwell time to reinforce the need for bricks and mortar stores.

4. Shopping Patterns/Competing Centres

4.1 This section examines the retail performance of the town centres and central London frontages in the London Borough of Camden in the context of the retail network across the wider sub-region, and examines the influence of key competing centres on the current and future role of the Borough's centres.

4.2 Our analysis draws extensively on the results of the household telephone survey, which underpins this retail study. A map illustrating the extent of the telephone survey, survey zones and Borough boundary is provided in Plan 1. Data from the survey and other published data sources identify the main retail offer in each competing centre and the extent to which this is likely to change and influence future shopping patterns, including major pipeline development proposals in competing centres.

4.3 Results from the household telephone survey show that the main competing centres which have an influence over shopping patterns within the survey area are: the West End (comprising Oxford Street, Bond Street and Regent Street), Brent Cross Shopping Centre, Angel/Upper Street, Nags Head/Holloway Road, Marylebone, Staples Corner Retail Park and Tottenham Hale Retail Park.

Customer Views and Behaviour

4.4 Shopping patterns derived from the telephone survey allow us to calculate the amount of comparison goods expenditure that each centre draws from within the study area. This indicator reflects the strength of the centre's retail offer and its accessibility from the study area.

Market Share and Trade Patterns

4.5 The total comparison goods expenditure currently leaking to competing centres is set out in Table 4.1 and Appendix 3 (Table 5) and illustrated in Plan 5.

4.6 Results from the survey show that the West End (Oxford Street, Bond Street and Regent Street) retains nearly half of the total comparison goods expenditure (46%) arising from within the survey area (excluding inflow). This is unsurprising considering the role of the

West End as an international centre, defined in the London Plan (2011) as a globally renowned retail destination with a wide range of high-order comparison and specialist shopping with excellent levels of public transport accessibility. The West End is located within zone 9 of the telephone survey and within the City of Westminster, bordering the Tottenham Court Road central London frontage.

Table 4.1: Study Area Comparison Goods Trade Draw of Key Competing Centres

Competing Centre	Expenditure (£)	Market Share (%)	London Plan Designation (2011)
West End	£829.0m	46.1%	International
Brent Cross	£173.6m	9.6%	Regional Shopping Centre
Camden Town	**£94.4 m**	**5.2%**	**Major**
Angel	£92.0m	5.1%	Major
Holloway Road (Nags Head)	£64.3m	3.6%	Major
Finchley Road / Swiss Cottage	**£62.1m**	**3.5%**	**District**
Kilburn High Road	**£49.7m**	**2.8%**	**Major**
Tottenham Court Road	**£42.8m**	**2.4%**	**CAZ Frontage**
Hampstead	**£29.6m**	**1.6%**	**District**
Staples Corner Retail Park	£23.0m	1.3%	-
Marylebone	£22.3m	1.2%	CAZ Frontage
Tottenham Hale Retail Park	£21.4m	1.2%	-
Kentish Town	**£17.9m**	**1.0%**	**District**
West Hampstead	**£5.7m**	**0.3%**	**District**
Holborn	**£5.5m**	**0.3%**	**CAZ Frontage**

Note: Expenditure figures are sub-totals and do not factor in inflow from outside the survey area.

4.7 The centre retaining the second highest level of comparison goods expenditure is Brent Cross shopping centre, which draws £173.6m of expenditure from the study area (9.6%). The shopping centre is located to the north of the study area, drawing the highest proportions of market share from the northern zones (Zones 3 (23%), 4 (14%) and 5 (27%)), as well as drawing smaller proportions of trade from the remaining survey zones. Brent Cross is classified in the London Plan as a regional shopping centre, with the potential to change classification to Metropolitan centre over the plan period (following the proposed redevelopment of Cricklewood Brent Cross).

4.8 Camden Town draws the highest market share from the study area of the centres in the Borough, retaining approximately £94.4m (excluding inflow), which equates to 5.2% of total expenditure across the survey area. Camden Town draws highest market shares in zone 2 (28%) and zone 4 (11%). Similarly to the results of the previous retail study, trade draw to Camden Town from the rest of the zones is identified to be relatively low.

4.9 Angel is the centre drawing the next highest proportion of trade from the survey area, retaining £92m (5.1% market share). Angel is located outside the London Borough of Camden within zone 8 of the survey, and draws nearly a quarter of trade from within this zone (24%). The centre also draws a 10% market share from zone 7. Angel is identified in the London Plan as a Major Centre in Islington.

4.10 Holloway Road (Nags Head) is the fourth best performing centre outside the Borough in terms of market share from the study area. Holloway Road is located in zone 7 to the east of the Borough and overall draws £64.3m of comparison goods spend from the survey area (3.6%). Holloway Road draws the majority of its spend from zone 7 (18%), however the centre also draws some trade from zone 8 to the south (Angel zone).

4.11 Finchley Road/Swiss Cottage achieves a market share of 3.5% which equates to £62.1m. This is the second highest proportion of spend retained by a centre within the Borough. Finchley Road/Swiss Cottage town centre performs strongly in zones 3 (10%) and 6 (7%). The centre is identified as a district centre in the London Plan.

4.12 Each of the remaining centres and frontages in the study area has a market shares of less than 3%.

Shopping Patterns by Comparison Goods Type

4.13 The household telephone survey identifies where people do their shopping for different comparison goods. When shopping for *clothing, footwear and other fashion goods*, respondents to the telephone survey are most likely to shop in the West End (59%), followed by Brent Cross (9%), Angel (6%), Holloway Road (4%) and Camden Town (3%). The West End is a global centre for fashion goods and therefore it is not unexpected that the centre draws at least 34% of all market share on clothing and footwear from each zone. In zones 1, 6 and 9 the West End draws between 80% and 90% of all clothing and footwear market share. In contrast Camden Town draws its highest market share in zone 2 (19%), and between 0% and 5% from the other survey zones.

4.14 The telephone survey also included a question about where else residents undertake their clothing, footwear and fashion shopping. Results to this question found that 27% of respondents also shop in the West End, whilst 15% shop in Brent Cross, 7% in Westfield White City, 6% in Angel and 4% in Camden Town, Covent Garden, Wood Green and Westfield Stratford City.

4.15 When shopping for *furniture, floor coverings and household textiles* the results of the telephone survey indicate that people are most likely to shop in the West End (43%), Brent Cross (9%), Tottenham Court Road (6%), Ikea Edmonton, Ikea Tottenham and Angel (all 5%). The choice of centre is dependent on the respondent's proximity to the centre, the retail offer and scale of each centre, with the West End having a significant influence on shopping patterns.

4.16 Shopping patterns for *DIY and decorating goods* from the household survey results show that Finchley Road/Swiss Cottage (including the Homebase) draws 23% of trade from the survey area, making it the dominant centre in the survey area for these goods. In comparison, the West End draws 7%, Camden Town draws 6%, and Angel, Holloway Road, Broadway Retail Park (Cricklewood) and Tottenham Hale Retail Park (Tottenham) all draw 5% market shares.

4.17 For *domestic appliances* (such as washing machines, fridges, cookers, kettles etc.), results from the household telephone survey identify that the West End draws over half of all trade (55%), whilst Brent Cross draws 9%, Camden Town draws 6% and Staples Corner Retail Park draws 4%.

4.18 The West End also draws half of all trade for *electrical goods* (e.g. TVs, computer and music equipment) (50%). Brent Cross draws 10% of electrical goods trade, Camden Town draws 8%, Tottenham Court Road draws 7%, and Staples Corner retail park and Holloway Road draw 4%.

4.19 When shopping for *personal and luxury goods (such as books, jewellery and cosmetics)*, 38% of survey shop in the West End, 9% visit Angel, 8% visit Camden Town, 6% visit Brent Cross and 4% visit Hampstead, Marylebone and Holloway Road.

New and Proposed Retail Developments

4.20 In this section we review existing and proposed retail and town centre developments in the key competing centres to identify possible increases in their trade draw as a consequence, and possibly to the detriment of Camden's town centres.

West End

4.21 There are currently lots of redevelopment proposals in the pipeline of key sites in the West End. These vary from refurbishment schemes (such as Debenhams flagship store on Oxford Street), to the redevelopment of properties in the eastern end of Oxford Street (the Quadrangle, The Plaza shopping centre and phase two of the Oriana block following on from the opening of Primark in 2012), and large development sites (such as the Royal Mail West End Delivery Office). Other development sites result from the Crossrail development including ticket halls and above ground development at Tottenham Court Road Station and Bond Street Station. These schemes will seek to enhance the offer of the West End over the plan period.

Brent Cross

4.22 There are longstanding proposals for a major regeneration scheme at Cricklewood Brent Cross which envisage the redevelopment of Brent Cross shopping centre into the heart of a new retail and leisure centre. Outline planning consent was granted by Barnet Council in October 2010 and the proposals include the provision of over 100,000 sqm GEA Class A1-A5 retail floorspace, transforming the out of centre shopping centre into a new town centre, alongside residential and community uses. We understand that the viability of the redevelopment proposals have been reassessed and public consultation on a revised scheme was held in June 2013 to include changes to the originally proposed shopping centre. The redevelopment of Brent Cross remains a key regeneration scheme which will significantly increase the retail offer and market share of this retail destination.

Angel

4.23 Within Angel/Upper Street there are several proposals and site allocations which include retail development likely to come forward over the plan period which will add to the retail attraction of the centre. The Former North London Mail Centre site on Almeida Street has planning permission for 5,137 sqm of Class A1 retail floorspace as well as café, drinking establishments and office floorspace. The Royal Bank of Scotland site on Islington High

Street is allocated in the submission version Islington Site Allocations DPD to provide retail at ground floor level with offices above. The DPD also supports the intensification of retail and office uses at Chapel Market on White Lion Street and the extension and intensification of the Sainsbury's store on Liverpool Road.

Holloway Road (Nags Head)

4.24 Within Holloway Road/Nags Head there are several site allocations in the submission draft Islington Site Allocations DPD which include retail development which will add to the retail attraction of the centre over the plan period. The Morrisons supermarket on Hertslet Road is allocated for retail-led mixed use regeneration, and the Argos unit at the junction of Holloway Road and Tollington Road is allocated for retail intensification. The site at 254 Holloway Road is allocated for retail and office intensification.

Marylebone

4.25 We are not aware of any specific significant retail developments proposed in Marylebone which are planned to come forward over the plan period, although we anticipate that Marylebone High Street will continue maintain its strong and high quality retail offer.

Summary

- In terms of the sub-regional context, the results from the 2013 household telephone survey have identified that centres outside the London Borough of Camden have significant influences on shopping patterns. Overall the centres in the Borough retain a market share of 17% of available comparison goods expenditure from the survey area, with the remaining spend leaking to centres outside the study area.
- The West End has a very significant influence on comparison goods shopping patterns in all zones within the London Borough of Camden drawing nearly half of all available expenditure. As a globally renowned international retail destination, and its close proximity bordering the Borough, it is not surprising that the West End is performing so strongly in terms of market share. Over the plan period we would expect for the West End to maintain its market share as it capitalises on redevelopment opportunities towards the eastern end of Oxford Street. This will provide an opportunity for the Tottenham Court Road Opportunity Area to also improve and regenerate the area, particularly around St Giles, building on the investment in the West End area.

- Brent Cross Shopping Centre (also outside the London Borough of Camden) draws a higher comparison goods market share than centres within Camden. With a particular influence on shopping patterns in the northern zones of the study area (zone 3, 4 and 5), Brent Cross will continue to provide strong competition to the centres in the north of the Borough (Finchley Road/Swiss Cottage, Hampstead, Kilburn High Road and Kentish Town). Plans to redevelop Brent Cross shopping centre over the plan period are likely to increase the shopping centre's retail attraction over the plan period.
- Camden Town is the centre which retains the highest market share in the Borough, however the centre only achieves a relatively low market share of 5.3%. The results of the telephone survey indicate that although Camden draws a market share of 28% in zone 2, a high proportion of resident spend is leaking to higher order centres including the West End and Brent Cross shopping centre. As the largest town centre in the Borough, it will be important for Camden Town to continue to build and develop its niche market shopping offer for local residents and tourists in order to remain competitive with higher order centres.
- To the east of the Borough, the key competing centres are Angel and Holloway Road (Nags Head); however these centres have a relatively localised catchment area and only draw limited amounts of market share from within the Borough of Camden. To the south and west of the Borough, Marylebone is the main competing centre; however it also has a relatively localised catchment area.
- The smaller centres in the London Borough of Camden will continue to face strong competition from other centres and retail parks outside the Borough and it will be important for these centres to maintain, and where possible increase their market shares to continue to remain competitive with other centres. It may be necessary for these centres to differentiate their retail offers from other mainstream centres, to enable centres to promote their wider shopping and leisure experience on offer.

5. Town Centre and Central London Frontage Audits

5.1 Detailed qualitative town centre audits for the six town centres and two Central London Frontages are provided in Appendix 1. In this section we define the boundaries of the town centres (defined in Camden Planning Guidance 5) and then review each centre's performance in the previous 2004 and 2008 retail studies. We then summarise the key findings from the detailed health checks to assess each centre's current performance.

Camden Town

5.2 Camden Town is defined as a 'town centre' in the Core Strategy, and is the largest town centre in the Borough. The centre is internationally renowned as a tourist destination; famous for its extensive range of markets, its wealth of independent retailers and creative industries, as well as legendary music and entertainment venues.

5.3 Camden's town centre boundary extends south from Chalk Farm station to Mornington Crescent station. The town centre boundary also extends west from the main frontages to incorporate the Morrisons supermarket, Parkway, and other streets adjoining the High Street. The centre extends eastwards to include the Hawley Wharf area, Hawley Crescent, Buck Street, southern sections of Kentish Town Road and Camden Road and other streets adjoining the High Street.

Previous Performance in 2004 and 2008 Retail Studies

5.4 In 2004, the previous study identified 77,000 sqm of Class A retail floorspace, making Camden the largest centre in the Borough. Tourism was identified as a key attraction to the Borough, with 30% of visitors coming from elsewhere in London and 25% of visitors elsewhere from the UK or abroad. Another key strength and attraction of the centre was the identified Class A3 and D2 leisure uses provided in the centre.

5.5 It was identified that the high number of independent market traders provided Camden with its unique selling point, and the study identified tensions between independent and multiple retailers. The 2004 report recommended that the expansion of multiple retailers to the centre should be restricted because it would drive up rents and threaten the viability of independent market stalls.

5.6 Overall the centre was identified to be performing strongly, with a low vacancy rate. The 2004 report identified limited sites for retail expansion, including the underground station, Mecca Bingo Hall, Safeway and the Stables Market. The Study recommended that public realm improvements should be introduced around the station as well as traffic calming, and measures to reduce crime rates in the centre.

5.7 The 2008 study identified an increase in Class A floorspace to 81,450 sqm m. The study identified a similar proportion of tourists visiting Camden from the UK and abroad and reinforced the threat of multiple retailers encroaching northwards towards the Markets and driving higher rents. Two additional development opportunity sites were identified; Buck Street Market and Hawley Wharf (after the site was devastated by fire in 2008).

Performance of Camden Town in 2013

5.8 Key findings from 2013 health checks identify that Camden is a successful, vibrant and unique retail and leisure destination, combining an eclectic mix of bohemian shops, thriving street markets and legendary music and entertainment venues which attract a significant number of tourists each year, as well as shops and services catering to the needs of local residents and workers. There is a particularly strong leisure offer including restaurants, cafes, bars and clubs which make Camden a distinctive daytime and evening visitor destination in its own right.

5.9 The centre currently has a good diversity of food, non-food and service uses, and a low level of vacant units indicating that the centre is performing well and there is strong demand for retail space in the centre. Over three quarters of the units in Camden are operated by independent retailers, which is a key strength to the performance of the town.

5.10 Findings from the household telephone survey indicate that a quarter of respondents visit Camden Town most often out of all the centres in the survey area. The results of the in-centre survey identified that 49% of respondents visited Camden from outside the survey area (including 14% who live overseas). This demonstrates the popularity of Camden as a retail and leisure destination for local residents and as an important visitor and tourist destination. Results of the household telephone survey and in-centre survey show that people chose to visit Camden Town primarily because it is close to home, it has a good range of chain stores and independent retailers, and to visit the markets.

5.11 The findings of the surveys also corroborate the importance of the leisure offer in Camden Town, with daytime and evening eating, evening drinking and evening cultural activities all attracting a high proportion of telephone survey respondents to visit the centre. Accordingly it will be important to maintain an appropriate range and provision of food, drink and entertainment uses in Camden over the plan period.

5.12 Key issues identified in the surveys suggest that there is scope to increase security and improve perceptions of safety in Camden Town. Further enhancements to the quality of the environment in the town centre, particularly south of Camden Town underground station, should also be considered.

5.13 The redevelopment of Hawley Wharf remains a key opportunity site in Camden Town. In January 2013, an application for the redevelopment of Camden Lock Village market was granted planning permission. The proposals involve a mix of employment, housing, cinema and retail market and local produce market uses (total 8,105 GEA retail floorspace). Permission has also been granted for an extension to the Morrisons supermarket on Chalk Farm Road for over 1,000 sqm net retail floorspace.

5.14 Overall Camden Town appears to be a vital and viable town centre, which continues to attract strong levels of retailer demand and low vacancy rates, despite the continued recession. Over the plan period it will be crucial for Camden to maintain its unique provision of markets and breadth of independent retailers to continue to attract local residents and tourists to visit and spend time in the centre. The proposed redevelopment of Camden Lock Village at Hawley Wharf to provide improved and extended market stall provision and other town centre uses presents an opportunity to ensure that Camden Town continues to attract and accommodate new retailers.

Kilburn High Road

5.15 Kilburn High Road town centre is located in the north west of the Borough on the border with the London Borough of Brent and provides a varied shopping environment along the length of the linear High Road. Kilburn High Road provides a day to day shopping offer serving local needs, and is pitched towards the lower end of the market. The centre is the second largest town centre in the London Borough of Camden and is allocated as a major centre in the London Plan.

5.16 Kilburn High Road's town centre boundary extends from Maygrove Road and Kilburn underground station in the north to Kilburn Priory and the Marriott Hotel in the south. The main High Road is also the borough boundary between Camden and Brent, and accordingly only the eastern half of the street is identified within Camden's town centre boundary. Despite the Borough boundary, the centre functions as one and therefore for completeness our assessment incorporates both halves of the town centre.

5.17 The Council identify the Core Shopping Area falling between Gascony Avenue in the north and Belsize Road in the south. To the north and south of the core retail frontage, the remaining units are identified as secondary retail frontages.

Previous Performance in 2004 and 2008 Retail Studies

5.18 The 2004 study concluded that despite Kilburn's strengths (strong evening economy, good quality architecture, good accessibility and affluent catchment area), the centre was found to be performing poorly. Although there is a high proportion of comparison retail floorspace in the centre, the retail offer and retailer demand is catered towards discount format retailers. Previous studies considered that low rents demonstrated low investor confidence in the centre; however rents had improved by 2008.

5.19 Traffic in the centre was considered to be heavy, but not detrimentally dominant and the centre was accessible. The report identified a need to improve the quality of the shopping environment and in particular shopfronts. In 2004 the vacancy rate was identified to be 6%, however in 2008 this had increased to 10%.

5.20 Due to the length and linear nature of the centre which dilutes the retail offer, the report recommended that retailing should be consolidated towards the central area. In addition larger retail units should be provided to accommodate multiple retailer demand in order to increase the centre's market share. The market site was identified as the main opportunity for growth (this falls within the jurisdiction of the London Borough of Brent). In 2004 a number of redevelopment proposals at the southern end of the High Road were identified which would improve the southern gateway to the centre. In 2008 opportunity sites at Palmerston Road and Mecca Bingo Hall were identified.

Performance of Kilburn High Road in 2013

5.21 Key findings from 2013 health checks demonstrate that Kilburn High Road is continuing to perform a mainly functional role catering to the needs of local residents. Kilburn High Road is considered to be performing well in relation to the provision of convenience and service units, benefiting from the provision of three foodstores in the centre and a high proportion of retail, financial and leisure services. The leisure offer in the centre is particularly important to the strength of the centre and includes the Tricycle Theatre, pubs, restaurants and a nightclub.

5.22 The comparison retail offer in the centre is poor and below the national average in terms of units and floorspace. The offer is dominated by discount retail, mainly provided by poor quality independent retailers, however there are also multiple retailers who are targeted towards the lower end of the market. Overall there is considerable scope to improve the comparison goods offer in the centre to ensure that Kilburn performs an adequate comparison shopping role as its designation as a major centre in the London Plan.

5.23 The vacancy rate in the centre is broadly in line with the national average, although we note that there has been an increase in the number of vacant units in the centre over the last year.

5.24 The centre is easily accessible and is functioning reasonably well, however the centre does have weaknesses. The environmental quality of the centre varies from north to south, and the centre would benefit from shopfront improvements to improve the street scene, particularly in secondary areas which are blighted by vacancies and lower quality retail units. In addition the busy A5 which dissects the centre results in problems with congestion which detract from the quality of the centre.

5.25 Results from the household telephone survey indicate that people chose to visit Kilburn most often because of the close proximity of the centre, reflecting the local shopping role that the centre currently plays. Respondents also considered that Kilburn has a good range of multiple and independent retailers. In terms of dislikes, respondents to the household survey identified that the centre appears to be run down, is too busy and that there is too much traffic congestion. Overall respondents stated that they would be more likely to visit Kilburn if there were more chain stores, if the environment was more attractive, if there were more restaurants and if the centre felt safer.

5.26 A key issue identified by the results of the survey is the low proportion of people who perceive Kilburn to be safe during the evenings. Of all the centres in the Borough, only Camden Town is perceived to be unsafe by more respondents than Kilburn. Addressing perceptions of safety in the centre would encourage people to visit the centre more often, particularly at night, to create a more vibrant centre.

5.27 Over the plan period it will be important for the centre to increase its comparison goods representation and to improve the overall quality in the retail and service offer. If vacancy levels continue to rise, the centre may benefit from consolidation of the retail offer, which at present is diluted along the length of Kilburn High Road. Increasing the mix of alternative town centre uses in the more secondary retail areas may increase activity along these frontages, and focus retail activity in the core of the centre. In addition, improvements to the quality of the public realm and shopfronts would also add to the overall attraction of Kilburn High Road.

Finchley Road/Swiss Cottage

5.28 Finchley Road/Swiss Cottage is located to the north west of Camden borough and is the third largest town centre in the Borough after Camden Town and Kilburn High Road. Finchley Road/Swiss Cottage provides a significant convenience goods role in the Borough, serving local needs and those from a wider catchment; however, the centre has a more limited comparison role. The linear centre runs along the busy A41 Finchley Road, and the main retail offer is provided in the O2 Centre.

Previous Performance in 2004 and 2008 Retail Studies

5.29 The 2004 study identified particularly low levels of retailer demand in Finchley Road/Swiss Cottage, despite the opening of the O2 centre in 1999, and overall the centre was found to be performing relatively poorly. By 2008, Finchley Road/Swiss Cottage was found to be performing reasonably well, with key retail attractors locating to the centre (Habitat and Waitrose), and the O2 Centre performing an important role.

5.30 Also a lack of other modern retail units (outside the O2 Centre) means that the Finchley Road/Swiss Cottage provided few opportunities to accommodate retailers interested in the centre. The centre was found to have a reasonable comparison goods offer, however this was dominated by small independent, low end retailers. The overall vacancy rate in 2004 was 4%, however this increased to 7% in 2008.

5.31 Finchley Road/Swiss Cottage was identified to have a poor quality shopping environment which is impacted by the A41 Finchley Road running through the centre which is a key arterial route in to London. The road provides a major barrier to movement and allows poor pedestrian access east and west.

5.32 The study recommended that the centre should be consolidated from the O2 in the north to Finchley Road/Swiss Cottage in the south. In 2008 a redevelopment opportunity was identified at the junction of Finchley Road and Lymington Road.

Performance of Finchley Road/Swiss Cottage in 2013

5.33 Key findings from 2013 health checks show that Finchley Road/Swiss Cottage is performing well in relation to the provision of convenience and service units, benefiting from the provision of two large foodstores and a high proportion of retail and leisure services. In terms of floorspace, the convenience and retail service offer is particularly strong in Finchley Road/Swiss Cottage. The centre caters to the needs of local residents as well as serving a wider catchment area (particularly for food and bulky DIY goods).

5.34 The comparison retail offer in the centre is weak and below the national average in terms of unit and floorspace. The offer is dominated by home furnishing operators, with a limited clothing offer. Overall we consider there is scope to improve the comparison goods offer in the centre.

5.35 The vacancy rate in the centre is broadly in line with the Greater London regional average and we have noted a significant decline in vacancy since July 2012. This demonstrates that the centre is performing well, even in light of the economic climate. However there is a high vacancy rate on the upper floor of the O2 Centre, but this does not significantly detract from the strong performance of the centre as a whole.

5.36 The centre is easily accessible by public transport and by car, but the linkages within the centre are weak due to the physical barrier dividing Finchley Road. The A41 has a significant adverse impact on accessibility throughout the centre and issues to mitigate the impact of the main road on the shopping environment should be explored.

5.37 Over the plan period, it is important for the centre to increase its comparison goods representation to build on the strength of the comparison and service offer. The environmental quality of Finchley Road/Swiss Cottage is poor, with low quality shopfronts appearing dilapidated. Investment in the public realm and shopfronts would raise the quality of the environment and overall attraction of Swiss Cottage.

Hampstead

5.38 Hampstead is the most northern town centre in the borough and is also the second smallest town centre after West Hampstead. Hampstead provides a high quality retail and leisure offer, reflecting the affluence of the local catchment area. The history of the town, its attractive 'village' environment, conservation area designation and proximity to Hampstead Heath also draw a significant number of tourists to visit Hampstead.

5.39 Hampstead town centre boundary extends from Heath Street (south of Hampstead Square to Perrin's Walk), along Hampstead High Street eastwards to Rosslyn Hill (including part of Downshire Hill). Core frontages are defined along Hampstead High Street, Perrin's Court, Flask Walk and part of Heath Street. Secondary frontages extend along the remaining frontages within the town centre boundary.

Previous Performance in 2004 and 2008 Retail Studies

5.40 The 2004 study identified that the centre was a well-established as a destination for high quality fashion with a number of upmarket fashion boutiques. Hampstead was identified to have a poor convenience goods offer and no main food shopping destination within the town. Retailer demand within the centre was high, and vacancy rates low (at just 3% of all units). The in-centre survey identified that a third of visitors to the centre travelled by car, and as such lack of sufficient car parking was cited as a problem in the town.

5.41 A high level of retailer requirements in Hampstead was identified again in 2008, and the study considered that the lack of vacant units, and the inability of units to cater to larger floorplate requirements, would mean that some multiple retailers would be unable to find suitable units in the centre. The high demand for units in Hampstead has resulted in high rental values.

5.42 The 2004 and 2008 studies found that Hampstead is constrained by its surrounding residential buildings, conservation area and statutorily listed buildings and therefore no potential opportunity sites for expansion were identified. However if sites could be provided the report considered that there would undoubtedly be demand from fashion operators and foodstores.

Performance of Hampstead in 2013

5.43 Findings from the 2013 health checks indicate that overall, Hampstead is performing very strongly against a number of key indicators. The centre is the most attractive of all Camden's town centres, boasting a mix of traditional architecture, a village like atmosphere and shops catered towards upmarket clientele. There is a good mix of multiple and independent retailer which brings vibrancy and vitality to the centre.

5.44 Hampstead benefits from a particularly strong high end comparison goods offer. The 2013 in-centre survey results demonstrate that Hampstead is renowned for its boutique and niche shops; with comparison goods shopping for both high end multiple and independent retailers both key draws to the centre.

5.45 However the convenience goods offer of the town is more limited, with only one small supermarket serving the centre. The qualitative results from the in-centre survey identify that Tesco Express Heath Street performs more of a top up shopping role, with main food shopping predominantly being undertaken outside Hampstead town centre.

5.46 Analysis of the in-centre survey results identified that 48% of respondents lived outside the study area, of which 3% reside overseas. As a significant tourist destination there is a strong café and restaurant offer in the town. A high proportion of in-centre survey respondents were visiting Hampstead to meet friends and socialise, reflecting the importance of Hampstead's leisure offer.

5.47 The attractiveness of the centre is the most frequently cited positives about Hampstead, with respondents to the surveys also liking the close proximity to home, and the good range of both multiple and independent retailers. Respondents to the household and in-centre surveys highlight that car parking and traffic are the main issues in Hampstead, reflecting the high proportion of visitors who usually travel to Hampstead by car. Addressing car parking provision or reducing the number of journeys made by car will be a key issue to address in Hampstead over the plan period.

5.48 Hampstead has a low vacancy rate, which demonstrates the strength of retail demand in the centre, but this also highlights the lack of available space to extend the provision of retail floorspace. There is a very strong demand particularly in the comparison and restaurant sectors for new floorspace, with 26 retailer requirements identified in the centre.

5.49 It will be crucial over the plan period to ensure that Hampstead continues to perform strongly within the Borough, serving both the needs of local residents and visitors. It will become increasingly important to maintain the centre's 'village' atmosphere and strength of the mix of multiple and independent retailers as key attractions to the town, whilst also addressing the deficiencies in convenience and eating/drinking provision.

Kentish Town

5.50 Kentish Town is located to the east of the borough and north of Camden town centre. The centre provides a day to day shopping offer serving local needs, and is pitched towards the mid to low end of the market. The centre is the third smallest town centre in the Borough and provides a varied shopping environment along the linear Kentish Town Road.

5.51 The town centre boundary for Kentish Town extends along the length of Kentish Town Road from Hawley Road northwards to Fortess Road. Core shopping frontages are defined between Royal College Street in the south and Fortess Road in the north. To the north and south of the core retail frontage, the remaining units are identified as secondary retail frontages.

Previous Performance in 2004 and 2008 Retail Studies

5.52 The previous studies identified that Kentish Town was providing a relatively good range of shops and services, serving local day to day needs. The centre had comparatively low rental values in contrast to Camden Town, however vacancy rates in the prime pitch were considered to be low (5% in 2004, rising slightly to 6% in 2008). The secondary areas in the south of the centre had higher vacancy levels, and the report suggested that retail activity should be consolidated to the core area to encourage other complimentary uses in the fringes. A high proportion of Class A3 units were identified in the centre, including a number of independents. Overall the centre was considered to provide a relatively low proportion of comparison goods units.

5.53 The 2004 report considered that the linear nature of the centre and the heavy congestion of road traffic provided a poor quality shopping environment. Since then improvements to the pedestrian crossings, street lights and repaving resulted in improved environmental quality in 2008. The 2004 report identified that the main opportunity area was the paved area to the north of the station to strengthen the gateway to the northern fringe. No significant opportunities to accommodate new development were identified in 2008.

Performance of Kentish Town in 2013

5.54 Key findings from 2013 health checks identify that Kentish Town is considered to be performing well in relation to the provision of convenience and service units; however, there is limited comparison goods retail floorspace in the centre. The town benefits from the 4 foodstores in the centre, and although these are of relatively limited scale, appear to be performing strongly.

5.55 The below average provision of comparison units in Kentish Town is accentuated by the low quality of existing retailers. The comparison offer is dominated by discounted goods units, such as charity shops, home wares and fashion. Existing units are small in size and therefore attracting new multiple retailers into the centre to improve the quality of offer may be dependent on the amalgamation of units to provide larger floorplates.

5.56 Overall, the vacancy rate in the centre is below the national and regional average for Greater London. We note that there has been a slight increase in the number of vacant units in the centre over the last year, which reflects wider national retail trends as retailers continue to struggle in the economic climate and does not raise significant concern.

5.57 The centre is easily accessible and is functioning reasonably well; however, the centre does have weaknesses. The environmental quality of the centre varies throughout, and the centre would benefit from shopfront improvements to improve the street scene, particularly along the secondary frontages which are blighted by lower quality retail units.

5.58 Over the plan period, it will be important for the centre to increase its comparison goods representation and to improve the overall quality in the retail and service offer. At present the retail offer is diluted along the length of Kentish Town centre. If vacancies in the centre continue to increase, the centre may benefit from consolidation of the retail core, and greater land use flexibility in the more peripheral areas. Increasing the mix of alternative town centre uses in the secondary retail frontages may increase activity along these frontages and focus retail activity in the core. Improvements to the quality of the public realm and shopfronts would also add to the overall attraction of Kentish Town.

West Hampstead

5.59 West Hampstead is located in the north west of the borough, between Finchley Road/Swiss Cottage to the east and Kilburn to the west. The centre is linear in nature and the smallest town centre in the London Borough of Camden. West Hampstead is allocated as an Area of Intensification in the London Plan.

Previous Performance in 2004 and 2008 Retail Studies

5.60 The previous studies found that West Hampstead performs a mainly local day to day role and in 2004 the retail offer was dominated by independent convenience goods outlets. The 2008 study identified that Tesco Express was going to open a store in 2009, thereby improving the convenience goods offer. In 2004 the centre was found to be performing poorly in relation to centres of a similar size (e.g. Hampstead), however vacancy rates were found to be extremely low (1% in 2004). In 2008, the health check identified that West Hampstead was performing reasonably well for a centre of this size.

5.61 The northern part of West Hampstead has a pleasant shopping environment, with high quality pavements, attractive shopfronts and open space at West End Green. However the quality of the environment was found to deteriorate towards the southern part of the centre. In addition the area around the stations was considered to be particularly crowded and narrow pavements resulting in more difficult accessibility.

5.62 Potential redevelopment sites were identified around West Hampstead station at West End Lane which may provide scope to accommodate additional retail provision to serve the immediate catchment and commuters, in accordance with the centre's allocation as an Area for Intensification in the London Plan (2008).

Performance of West Hampstead in 2013

5.63 Key findings from the 2013 health checks found that West Hampstead is the smallest town centre assessed in the study. Therefore it is unsurprising that the centre attracts a smaller proportion of frequent visitors, with residents more likely to visit larger, higher order centres, particularly for comparison goods shopping.

5.64 The strength of West Hampstead's offer is its service provision, particularly the leisure sector which draws a high proportion of visitors. In contrast, West Hampstead has a limited representation of comparison goods retailers within the centre. The convenience goods offer in the centre is also relatively weak, served by three main foodstores distributed throughout the centre which are of a small scale and have a local catchment.

5.65 There are a high proportion of independent retailers within the centre; this is reflected in the results from the household telephone survey as respondents stated that they would like a better range of retailers within the centre. Within West Hampstead there are no significant problems in terms of vacancy rates, however there is a relatively good level of retailer demand.

5.66 The centre has good accessibility and strong links with the wider Greater London area. The centre would benefit from investment to upgrade the dilapidated retail frontages in order to increase the environmental quality of the centre, particularly in the south of the centre.

5.67 West Hampstead's designation as an Area for Intensification, particularly around the station interchange, means that site allocations for significant mixed use redevelopment will provide an opportunity to enhance the overall retail and leisure offer of the centre. Provision of additional convenience goods floorspace in the centre should be a priority over the plan period to encourage more sustainable and localised food shopping patterns.

Tottenham Court Road Central London Frontage

5.68 Tottenham Court Road is located adjacent to the West End and has traditionally been renowned for its specialist retail role providing concentrations of furniture and electrical shops; Charing Cross Road is well known for specialist bookshops; and Denmark Street for its niche music stores. The Council identify the area around Tottenham Court Road station (St Giles) as a Growth Area, and the area is identified as suitable to accommodate additional retail provision.

5.69 Tottenham Court Road is identified as an Opportunity Area in the London Plan and the frontage also falls within the London Plan West End Special Retail Policy Area (WESRPA) which seeks to support the area's retail and leisure provision of national, city-wide and local importance, maximising the benefits arising from the implementation of Crossrail at Tottenham Court Road.

5.70 The Tottenham Court Road Central London Frontage extends south from Euston Road along Tottenham Court Road to St Giles Circus, the immediately adjoining area of New Oxford Street, and the eastern side of Charing Cross Road to Cambridge Circus.

Previous Performance in 2004 and 2008 Retail Studies

5.71 Previous retail studies identified that Tottenham Court Road was performing very well, with high growth in expenditure in the electronics sector driving rental values up. In 2004 the vacancy rate on Tottenham Court Road was estimated to be 3%, with the two specialist retail sectors furniture and electronics performing strongly (30 electronics shops and 17 furniture shops were identified in 2004). In 2008 it was recommended that the specialist retail in this area would continue to thrive, resulting in pressure for new development sites.

5.72 The 2004 report identified that Charing Cross Road was performing poorly against market indicators, with rents remaining static through the 1990s. However by 2008, it was identified that there had been an increase in rental levels up to 2007. Charing Cross Road provides a significant proportion of comparison units, focused on the specialist book and music function, rather than mainstream retail. In 2004 book and music units comprised 52% of the comparison floorspace in this area.

5.73 Demand for expansion of the Class A3 provision on Charing Cross Road was identified, however the study recommended that the specialist retail function of Charing Cross Road should be enhanced and not diluted by the expansion of leisure uses within this area. The environmental quality in the area was considered to be poor, and little room for expansion was identified.

5.74 Relatively few development opportunities were identified on Tottenham Court Road, with the main recommendation being to redevelop and refurbish existing buildings to provide larger and better quality retail floorspace. Key development sites were identified nearby at St Giles Court (now Central St Giles), Denmark Street and the former Royal Mail Sorting Office (21-31 New Oxford Street).

Performance of Tottenham Court Road in 2013

5.75 Key findings from 2013 health checks identify that the Tottenham Court Road Central London Frontage is performing relatively strongly against a number of key health check indicators. Retailing is focused towards the comparison goods market, which has historically been associated with specialist furniture, electicals, book and music shops. However these sectors are currently in decline reflecting a wider trend towards multichannel retailing. Therefore over the plan period there must be no complacency about the strength of the specialist comparison goods retailing on Tottenham Court Road and Charing Cross Road.

5.76 National trends indicate that homeware, furniture and electronics retailers are increasingly looking for units with larger floorplates to accommodate large showroom type flagship stores which are then supplemented by online sales. Retail units with large floorplates which are suitable for modern retailers should therefore continue to be accommodated throughout the centre to attract retailers to the area, which may require the reconfiguration and amalgamation of smaller units.

5.77 Reflecting the centre's location within the West End and the significant proportion of workers in the area (including Mid Town), the nature of the wider retail offer is catered towards meeting needs of the shopper and workforce populations: convenience top up, sandwich shops, coffee shops and pharmaceuticals, for example.

5.78 At present the St Giles area is affected by Crossrail construction, however when the redevelopment works to Tottenham Court Road station are completed in 2018, this will present a significant opportunity for additional retail and service expansion as retailers seek to capture spend arising from the additional passengers using the station and increased footfall in the area.

5.79 Results from the household telephone survey indicate that Tottenham Court Road is the second most popular centre to visit after Camden Town, and it is most popular for non-food shopping. However Tottenham Court Road attracts less frequent trips than other town centres, reflecting the nature of the specialist homeware and electrical retail offer; products which are generally purchased less often.

5.80 The in-centre survey identified that 87% of people using the centre live outside the survey area. This includes 18 respondents who identified that they were tourists from overseas, reflecting the international role of the centre.

5.81 Over the plan period we expect Tottenham Court Road, Charing Cross Road and Denmark Street to continue to perform specialist retailing functions, however in light of market changes there may need to be a more flexible approach towards allowing a range of town centre uses to come forward within these areas to maintain the strength of the centre. The possible introduction of two-way traffic on Tottenham Court Road could also help to improve pedestrian safety and accessibility throughout the centre.

Holborn / High Holborn

5.82 Focused around Holborn underground station, the Holborn central London frontage extends along High Holborn, Kingsway and part of New Oxford Street. The centre borders with the City of London, the City of Westminster and the London Borough of Islington.

5.83 Holborn is allocated as a Growth Area in the Camden Core Strategy (2010) and the London Plan (2011), and is therefore considered suitable for large scale mixed use redevelopment. The London Plan expects a minimum of 2,000 new jobs and 200 new homes to be provided in the area by 2026. The Council anticipates that these will be met through relatively small scale, private sector-led schemes, which intensify levels of development at existing properties to provide high density office developments with active frontages at ground floor level.

Previous Performance in 2004 and 2008 Retail Studies

5.84 The 2004 retail study identified that Holborn principally serves the daytime weekday office workforce, with much lower levels of visitors during the evening and weekends. As such, the study identified a high proportion of convenience and Class A3 retail provision. The retail units in Holborn reflect the requirements of lunchtime workers (for example routine comparison stores, local convenience stores, sandwich bars and coffee shops).

5.85 Relatively strong demand for retail units was identified in Holborn, reflecting the strengthened retail interest in the centre over the years, including the construction of the Eye development over Proctor Street and Mid-City Place. A key issue in the centre is the level of crime, with Holborn having the highest crime level within the Borough, 50% higher than Camden Town (in 2004). Other issues identified within the centre include high volumes of traffic and lack of public open space.

5.86 The main retail development opportunity identified was the former Royal Mail Sorting Office on New Oxford Street, which is just beyond the Holborn central London frontage. RTP recommended that linkages between Holborn and Tottenham Court Road should be encouraged, with both areas identified as Opportunity Areas in the London Plan. In addition, a number of small sites along High Holborn were identified as being under refurbishment or redevelopment, and will provide enhanced retail at ground floor, with office development above.

Performance of Holborn/High Holborn in 2013

5.87 Key findings from the 2013 health checks identify that the Holborn central London frontage is predominantly a commercial area, with an extensive workforce population and a small residential community. Taking this into consideration, the centre is performing relatively well against a number of key health check indicators.

5.88 Reflecting the location of the centre within Central London and the significant proportion of workers in the area, the nature of the retail offer is tailored towards meeting needs of the shopper and workforce populations. Results from the household telephone survey indicate that respondents visit Holborn because of its close proximity to work and/or home.

5.89 There are a number of small and medium sized convenience units and a high proportion of service operators in Holborn. The service operators are predominantly leisure services, i.e. cafes, coffee shops and sandwich shops. The centre has a significant deficiency in comparison retail units. This also reflects the lack of a specialist retail function in comparison to Tottenham Court Road's retail offer and the role of the West End.

5.90 Holborn has a particularly low vacancy rate and high levels of retailer requirements which reflects the desirability of this central London location for multiple retailers to operate.

5.91 Over the plan period we expect that Holborn Central London Frontage will continue to function as an office-led commercial area supported by day to day retail provision. It is evident from the Site Allocations DPD that mixed use developments comprising a mixture of residential, office and other commercial uses will continue to drive future development within this area.

6. Quantitative Capacity Assessment

6.1 In this section we set out the current performance of convenience and comparison goods floorspace across the London Borough of Camden as the basis for forecasting the capacity for further retail floorspace to the period 2031 (incorporating interim years of 2018, 2023 and 2028). The capacity tables accompanying our assessment are attached in Appendix 2 and 3.

Quantitative Assessment Methodology

6.2 We have used a conventional and widely accepted step by step methodology, consistent with best practice, which draws upon the results of the household telephone survey of existing shopping patterns to model the existing flows of available expenditure to centres in Camden and also to identify the main competing centres which have an influence on shopping patterns in the Borough. To develop the baseline position we have:

- Calculated the total amount of convenience and comparison goods expenditure which is available within the postcode areas comprising the Camden catchment area;
- Allocated the available expenditure to the convenience and comparison goods shopping destinations, on the basis of the household telephone survey of shopping patterns, so as to provide estimates on current sales and forecasts of future sales;
- Compared the total expenditure attracted to each shopping destination with current retail floorspace to assess sales densities/performance in each shopping destination.

6.3 Building on the baseline position, we have explored the capacity for further convenience and comparison retail floorspace within the Borough, having regard to the performance of existing floorspace. The detailed analysis of performance and capacity forecasts 'by centre' are attached in Appendix 4, but this section focuses on 'global' borough-wide capacity. Consistent with policy advice, the final section of this report (Recommendations, Section 7), sets out the locational options for meeting the global capacity arising for additional convenience and comparison goods over the plan period.

Data Inputs

Survey Area and Household Telephone Survey

6.4 In order to provide factual information on the shopping patterns in Camden, GVA commissioned a new household survey covering 1,000 households across nine survey zones. GVA designed the survey questionnaire in consultation with the Council and NEMs market research company who undertook the interviewing and data processing in January 2013. The survey area is illustrated in Plan 1.

6.5 The survey results identify shopping habits of households for both convenience and comparison goods. Where necessary, survey results have been rebased to remove some responses (such as 'don't shop for particular goods' and 'internet shopping') to ensure consistency with categories excluded in the expenditure projections.

6.6 For convenience goods, the household telephone survey included questions on main food and top-up food shopping. The results of the two types of food expenditure were then merged through the application of a weight which reflects the estimated proportion of expenditure accounted for by each goods type (70% main food / 30% top-up food). This forms a composite pattern of convenience spending, expressed as a market share for each destination centre or foodstore for each survey zone.

6.7 The survey also included six questions on specific comparison goods types which coincide with Experian Business Strategies definitions of comparison goods expenditure. The retail capacity modelling exercise uses the weighted averages of the household survey results for each goods type based on the proportion of per capita spend on that goods type. This process establishes the pattern of spending for residents of each zone in terms of the following goods types:

- Clothing and footwear;
- Furniture, floor coverings and household textiles;
- DIY and decorating goods;
- Domestic appliances;
- Electrical appliances; and
- Personal and luxury goods.

Estimates of Population in the Survey Area

6.8 Population estimates and forecasts for each of the survey zones were drawn from GLA population projections, and provided estimates of population in 2013, 2018, 2023, 2028 and 2031. Overall, the population of the survey area (zones 1-9) in 2013 is currently 526,833. It is forecast to grow to 559,736 by 2018, and again to 577,560 by 2023. By 2028, the population of the survey area is forecast to be 596,059, and by 2031 the population is expected to reach 603,409. This represents an overall increase of 14.5%.

Available Expenditure in the Survey Area

6.9 The Experian E-Marketer system provides estimates of per capita expenditure for convenience and comparison goods expenditure in 2011 prices. Deductions for Special Forms of Trading (SFT) have been made which represent expenditure not available to spend in shops (for example internet or catalogue shopping). The telephone survey results indicate that the internet has a significant influence on shopping patterns in the survey area.

6.10 For convenience goods, the weighted (non-filtered) survey results indicate that approximately 7% of all respondents use the internet to undertake their food shopping (weighted 70% main food / 30% top up food shopping), which is significantly higher in comparison to Experian estimates for SFT deductions of 2.3%. Proportions of respondents who undertake their convenience goods shopping online are particularly high in zones 4 (14%), 5 (9%), 6 (10%) and 7 (8%), which also reflects the gaps in the current distribution of major supermarkets.

6.11 For comparison goods, the weighted (non-filtered) survey results also demonstrate the strength of influence of the internet on shopping patterns, varying from 2.9% (DIY goods), 9.2% (furniture goods), 9.6% (clothing goods), 18.7% (domestic appliances), 19.3% (electrical appliances) and 24% (personal and luxury). The weighted average in the Borough for comparison internet market share is 15.4%, which is significantly higher than the Experian national forecasts of SFT which are currently estimated to be 10.7%. The higher deductions applied by GVA for SFT for convenience and comparison goods are set out in Table 2 of Appendix 2 and 3.

6.12 We have applied growth rates for convenience goods of 0.1% between 2011 and 2012; -0.1% between 2012 and 2013; 0.5% pa from 2013 to 2018; and 0.8% pa from 2018 onwards. For comparison goods, we use growth rates of 1.4% for the period 2011 to 2012; 1.8% pa for the period between 2012 and 2013; rising to 2.8% pa between 2013 and 2018; and 2.9% pa from 2018 onwards. These growth rates are based on the latest economic forecasts published by Experian Business Strategies (Retail Planner 10.1, September 2012).

6.13 These growth rates reflect that we expect spending on comparison goods to grow faster than on convenience goods, as the scope to purchase more food is limited. These assumptions take into account current economic circumstances and the effects of the recession, which have had a significant impact on forecast levels of growth expected over the period to 2031.

6.14 Taking these considerations into account, we have generated the expenditure within each zone to highlight variations across the survey area, and grown these expenditure figures accordingly to 2013 and then in 5 year intervals to 2028 (which represent 5 year forecasting periods as required by the NPPF), and then to 2031 to reflect the Borough's plan period.

6.15 Table 3, Appendix 2 applies per capita expenditure within each zone to the population forecasts, which indicates that total available convenience goods expenditure within the survey area at 2013 is £1.139bn. This is forecast to grow to £1.225bn by 2018; rising to £1.3bn by 2023; to £1.394bn by 2028; and to £1.445bn by 2031. This equates to an overall growth of £306m (21% growth) between 2013 and 2031.

6.16 Comparison goods expenditure within the survey area at 2013 is £1.799bn. This is forecast to grow to £2.109bn by 2018; rising to £2.445bn in 2023; to £2.904bn in 2028; and to £3.201bn in 2031. This equates to an overall growth for comparison goods expenditure in the survey area of £1.403n (44%) between 2013 and 2031 (Table 3, Appendix 3).

Floorspace Data

6.17 The comparison and convenience goods floorspace data used in our modelling has been drawn from the Institute of Grocery Distribution (IGD), London Borough of Camden and Experian Goad.

6.18 Our floorspace assumptions for the foodstores include adjustments, where necessary, to identify the proportion of purely convenience goods floorspace. Most superstores include a proportion of non-food floorspace; we have adjusted the net floorspace to identify the proportion of sales floorspace allocated for convenience goods. These assumptions have been informed through site visits of the main foodstores in the District. This accords with the expenditure data and the expenditure assumptions used.

Benchmark Sales Densities

6.19 For convenience goods sales densities we have used a benchmark of £13,000 per sqm net for large retailer operators (Tesco, Asda, Sainsbury, Morrisons, Waitrose and Marks and Spencer).

6.20 The latest available published sales densities (Verdict) date back to 2010 and are therefore increasingly unreliable. The Verdict data identifies that company average sales densities for foodstores vary between £15,390 per sqm net for Asda and £10,833 per sqm net for Marks and Spencer. On this basis, given the likelihood that stores in this area will trade at above average lebels, we consider this benchmark is realistic for testing capacity.

6.21 For local stores (including Co-op and Iceland stores), we have assumed that these stores are achieving average sales densities of £6,500 per sqm net. Again, in the absence of any definitive average sales figures, and reflecting the nature of the catchment area, we consider this is reasonable for testing capacity.

6.22 Accordingly, benchmark sales densities used for convenience goods are set out in Appendix 2, Table 10.

6.23 For comparison goods, we have used a benchmark sales density of £6,000 per sqm net for development within the Borough's six town centres and the main Growth Areas, and a higher benchmark of £7,000 per sqm net for retail within the CAZ Frontages. We consider that these benchmarks accurately reflect the different comparison goods shopping roles performed by the retail hierarchy in the Borough.

Convenience Goods Capacity

6.24 The results of the household telephone survey have identified the most dominant foodstores across the borough (Plan 3a); and convenience goods capacity forecasts have been generated based on the performance of this retail floorspace. The analysis demonstrates that there are only three large food superstores in the borough measuring over 3,000 sqm net; including the Sainsbury's and Morrisons stores in Camden Town, and the Sainsbury's store at the O2 in Finchley Road/Swiss Cottage town centre. There are also two substantial Waitrose stores in the borough (over 2,000 sqm net), one in Finchley Road/Swiss Cottage, and the other midway between the Holborn and Euston road Central London frontages.

6.25 Below these dominant foodstore destinations, in terms of size, are the Sainsbury's Local on Tottenham Court Road and the Sainsbury's on Kilburn High Road; both just over 1,000 sqm net. The remaining foodstores in the borough are all below 900 sqm net, including those in West Hampstead, Kentish Town, and Hampstead town centres.

6.26 In terms of location, Plan 3a illustrates a reasonably good coverage of foodstores in the southern and central areas of the Borough, in survey zones 2 and 3, but a clear gap in the northern part of the borough (survey Zone 4), particularly in medium-large scale foodstores.

6.27 To assess the capacity for new convenience goods retail floorspace, the results of the telephone survey have been used to identify shopping patterns, expenditure allocations, and the proportion of convenience goods spend which is retained within the Borough. The detailed quantitative analysis tables are attached in Appendix 2.

6.28 Stores within the London Borough of Camden (broadly equating to Zones 1-4) draw £340m of the total available convenience goods expenditure identified (£485m). This represents a strong convenience goods market share of 80%, indicating that overall, the foodstores in Camden are performing well. Appendix 4 discusses the performance of individual foodstores in each of the six town centres, and demonstrates particularly strong trading levels when compared to expected company averages. This is consistent with the high market share achieved by the borough's network of foodstores.

6.29 A finer grained geographical analysis indicates that retention rates are strong across each of the four core borough zones. Zone 2, which comprises Camden Town and Kentish Town, achieves the highest retention rate, with foodstores in the Borough attracting 91% of convenience goods expenditure available within that zone. Finchley Road/Swiss Cottage, West Hampstead and east of Kilburn High Road are all located in Zone 3, and the Borough's foodstores combined achieve a strong retention rate of 81% in that Zone. Zone 4 (Hampstead) and Zone 1 (Tottenham Court Road, Holborn and Kings Cross) draw strong retention rates of 71% and 70% respectively. The market share penetraton of individual centres across the survey area is illustrated on Plans 4a-4h.

6.30 The strong performance of borough foodstores is also reflected in strong trade draw patterns from those living outside the borough boundary. This can be identified through an analysis of shopping patterns within Zones 5, 6, 7, 8 and 9 – all located outside the borough boundary. Appendix 2, Table 4, shows that foodstores in the Borough draw a market share in Zones 5 and 6 of 47% and 52% respectively. The borough has a smaller market share from those zones beyond the borough's eastern boundary, equating to 11% in zone 9, 8% in zone 7 and 5% in zone 8.

6.31 The quantitative model has factored in known commitments for new convenience goods floorspace which will absorb a proportion of retail expenditure once constructed and open for trading. Due to the volume of extant planning consents providing retail floorspace, we have only assessed those proposals providing over 500 sqm gross additional retail floorspace. The identified and agreed retail commitments are set out below.

6.32 Commitments include the **Kings Cross Central** scheme; a scheme which was incorporated in the previous study as a commitment but has not yet been implemented. For the purposes of this study it has been agreed with the Council to use the same floorspace assumptions for the convenience and comparison elements of the scheme, but that the timings for the development of each of the phases has clearly been delayed. Accordingly, we assume that as part of Phase One, 1,823 sqm net convenience floorspace will be delivered by 2018, that Phase Two will provide an additional 2,126 sqm net by 2023, and Phase Three will deliver an additional 2,126 sqm net by 2028.

6.33 Elsewhere, we have included the planning permission in Camden Town to extend the **Morrisons** Chalk Farm Road store by 1,156 sqm net; and in January 2013 planning permission was granted for the redevelopment of Camden Lock Market at **Hawley Wharf**, following the signing of a Section 106 Agreement. The proposals include floorspace for 'local retail' stalls to sell local food produce (959 sqm net). We have assumed that the remaining market floorspace will come forward for comparison goods. In addition, outline proposals for the regeneration of the **Abbey Road/Belsize Road estate** were granted in July 2012, and comprise the provision of a small supermarket (407 sqm net) and have been included as a commitment.

6.34 Based on the strong trading performance of the main convenience destinations in the borough, and taking into account commitments, we estimate that there will be surplus convenience goods expenditure of £118.2m at 2018 to support new/additional floorspace. By virtue of forecast growth in population and expenditure, and the current overtrading of existing stores, we estimate that the identified surplus of available expenditure will increase to £124.8m in 2023, to £141.2m by 2028, up to £156.4m up to 2031.

6.35 To translate this surplus expenditure into floorspace, we have assumed that mainstream foodstore operators would aim to achieve a sales density of around £13,000 per sqm net. Based on current market shares we estimate that the global convenience goods capacity for the Borough will be 9,045 sqm net at 2018, remaining almost static at 9,455 sqm net 2023, and then increasing to 10,591 sqm net by 2028, up to 11,619 sqm net to 2031.

6.36 The assessment has identified a clear substantial residual capacity to support additional convenience goods floorspace in the borough over the period to 2031.

6.37 As stated previously, the benchmark sales densities used (£13,000 per sqm net in 2013) are likely to be conservative in London where dense urban populations and higher expenditure capabilities lead to substantially higher foodstore performance levels compared to other parts of the UK.

6.38 Accordingly, the capcity identified should be considered as an upper limit for two reasons. Firstly, the fact that existing stores are trading above this benchmarket does not in itself demonstrate a clear need (other, qualitative considerations are also relevant). Second, given the level of residual capacity identified, new stores would be likely to trade above the benchmark figures used.

6.39 The NPPF requires local authorities to identify sites to meet the full extent of 'need' identified, and we return to this point in the final Section 7, in the context of the capacity identified in this section.

Comparison Goods Capacity

6.40 Section 4 set out a detailed discussion of the performance of the borough's comparison goods floorspace, highlighting the strong competition from both the West End and Brent Cross, and the consequent limited borough market share. The model (Appendix 3) has calculated the comparison goods turnover of the main centres in the Borough, and Appendix 4 provides the detailed performance analysis. This section identifies the global capacity for additional comparison goods floorspace driven by the baseline performance of centres, and Section 7 then sets out our recommendations in respect of locational options for meeting identified needs.

6.41 In assessing capacity for future comparison goods floorspace, we have assumed that the efficiency with which existing floorspace is being used will increase over time. Drawing on the latest advice published by Experian (Retail Planner 10.1), we have assumed an annual growth in existing sales per sqm net of 2.1% between 2013 and 2018, 1.9% growth between 2018-2023, and to 1.8% between 2023 and 2028.

6.42 Each of the six town centres and two CAZ Frontages attract comparison goods trade from beyond the borough boundary. Some are major tourist destinations or major employment hubs and therefore some centres have a considerably higher level of inflow than others (% by centre, Appendix 4). They benefit from expenditure generated by local residents, workers, tourists from the UK and tourists from overseas. Accordingly, we have used different assumptions about levels of inflow for each of the town centres and central London frontages, and the expenditure has been taken into consideration when forecasting capacity.

6.43 Appendix 3, Table 5 sets out the subtotal of resident spend drawn from within the survey area, the spend arising as inflow from outside the survey area, and the consequent total comparison goods turnover for each of the borough centres.

6.44 The centres in the London Borough of Camden achieve a comparison goods trade retention of £204.6m from within the survey zones broadly comprising the borough boundary; Zones 1, 2, 3 and 4 (a 26% market share). This is substantially lower than trade retention for convenience goods and reflects the influence of the West End and Brent Cross on comparison goods shopping patterns in the catchment.

6.45 Our inflow assumptions for Camden, Hampstead and Tottenham Court Road have been informed by the most up to date in-centre surveys undertaken in January 2013. Levels of inflow to other centres have been estimated based on turnover estimates and previous in-centre survey work provided by the Council, and in total contribute a further £510.4m of comparison goods expenditure to the six Camden town centres and two CAZ Frontages.

In total, we estimate that the centres in the borough achieve a total turnover of approximately £818.1m (Appendix 3, Table 5).

6.46 Despite a relatively low trade retention, the assessment demonstrates that comparison goods floorspace across the borough is performing well, currently achieving a 'global' sales density of £10,807 per sqm net. The more detailed centre-by-centre analysis (Appendix 4) demonstrates that a strong performance is consistent across the majority of the town centres and CAZ frontages.

6.47 Like the convenience goods assessment, we have taken account of new comparison goods developments coming forward in the main town centres as a result of existing planning permissions. Due to the volume of extant planning consents providing retail floorspace, we have only assessed those proposals providing over 500 sqm m. These have been agreed with the Council.

6.48 Commitments include the **Kings Cross Central** scheme, which was assessed in the previous study but has not yet been implemented. For the purposes of this study it has been agreed with Council planning officers to use the same floorspace assumptions for the convenience and comparison elements of the scheme, but that the timings for the development of each of the phases has clearly been delayed. Accordingly, we assume that as part of Phase One, 7,013 sqm net comparison floorspace will be delivered by 2018, that Phase Two will provide an additional 8,181 sqm net by 2023, and Phase Three will deliver an additional 8,181 sqm net by 2028.

6.49 In January 2013 planning permission was granted for the redevelopment of Camden Lock Market at **Hawley Wharf**, following the signing a Section 106 Agreement. The proposals include floorspace for 'market retail' stalls which we have assumed will be for the sale of comparison goods (4,430 sqm net).

6.50 In January 2013 planning permission was granted for the redevelopment of **Central Cross/1 Stephen Street** on Tottenham Court Road to extend and amalgamate the existing retail units. The proposals have flexible Class A1/A3 consent, however, we have assumed that all of the floorspace could come forward as Class A1 comparison floorspace (1,498 sqm net). In West Hampstead, planning permission has been granted at **187-199 West End Lane** for the redevelopment of the site near the station to provide an additional 704 sqm retail floorspace (assuming that the permitted Class A1-A5 retail floorspace comes forward for A1 use).

6.51 At Finchley Road/Swiss Cottage, the **O2 Centre** has planning permission for the subdivision of the Virgin Active Gym and the change of use from Class D2 to Class A1of this floorspace (563 sqm net). The **Lighthouse Block** on Pentonville Road has planning consent for redevelopment to being this longstanding vacant unit back into use. The proposals include the provision of 573 sqm net A1/A3 floorspace.

6.52 Drawing on our experience elsewhere in similar sized and performing centres, we have assumed a sales density of £6,000 per sqm net for new comparison goods floorspace in the six town centres and £7,000 per sqm net within the CAZ frontages. This is on the basis of existing performance and a standard assumption that new floorspace will distribute and dilute expenditure. We have also forecast that sales densities for new floorspace will grow at the same levels as existing floorspace.

6.53 This assessment has considered the effect of the centres in the Borough maintaining their market share and used growth in available expenditure to support new floorspace. We have also taken into account the main comparison retail commitments and developments likely to come forward over the plan period (as set out above), which in total will provide 31,143 sqm net additional comparison goods floorspace.

6.54 In terms of planning commitments, we have assumed those at Kings Cross and Hawley Wharf are likely to achieve a proportion of their turnover from expenditure arising outside the survey area, i.e. through ‘inflow’. The global capacity forecast at Appendix 3, Table 12 factors in sales from commitments arising from within the survey area only. As a result there will be additional expenditure arising as inflow from outside the survey area to support these commitments.

6.55 Based on our assessment, it is evident from Appendix 3, Table 12, that based on current retention rates, there is negligible global capacity arising to support additional comparison goods floorspace to the period 2018. By 2023, by virtue of growth in population and expenditure, there is a surplus capacity for additional comparison goods floorspace of 2,922 sqm net, growing to 13,789 sqm net by 2028, and again to 20,724 sqm net by 2031.

6.56 The identified need is based on existing market share and shopping patterns; i.e. a continuation of the current levels of trade leakage to destinations outside the borough (West End, Brent Cross, for example). If the redevelopment of Brent Cross is implemented over the plan period it is likely that this would have a bearing on market share drawn from the London Borough of Camden. Clearly there is an opportunity to claw-back lost trade through new development, and this must be taken into account through the consideration of development sites and development proposals moving forwards – both within and beyond the borough boundary.

6.57 A breakdown of capacity identified within the Borough for convenience and comparison goods is set out in Table 6.1 below.

Table 6.1: Baseline Retail Capacity Forecasts (GLOBAL)

	2018	2023	2028	2031
Convenience Goods Capacity (sqm net)	9,405	9,455	10,591	11,619
Comparison Goods Capacity (sqm net)	-1,278	2,922	13,789	20,724

Source: Table 12, Appendix 2 and Appendix 3

Summary

- All survey zones are forecast to experience a population increase over the plan period, leading to a total survey area rise of 14.5%. Total available expenditure is also expected to increase in both convenience and comparison goods categories, with convenience goods expenditure rising by 21% between 2013 and 2031, and comparison goods expenditure rising by 44% over the same period.
- In terms of convenience goods, the borough has few large and medium sized foodstores given the dense urban area and strong spending potential; and there is substantial reliance on smaller 'local/express' format foodstores. The assessment demonstrates the strong trading performance of convenience goods floorspace across the borough, reflected in the high market share/trade retention and inflow of convenience goods expenditure.
- Driven by population and expenditure growth, and a strong floorspace performance, the assessment identifies surplus capacity for an additional c.11,700 sqm net of convenience goods floorspace by 2031. Section 7 discusses the options for accommodating this capacty.
- In terms of comparison goods, the borough has a considerably lower trade retention than for convenience goods, reflecting the strong influence of the West End and Brent

Cross. Each centre and CAZ frontage benefits from inflow from beyond the survey area, with Camden and Tottenham Court Road in particular experiencing high levels of additional expenditure. Despite a low trade retention, comparison goods floorspace is performing reasonably well in the majority of centres and CAZ frontages.

- Identified comparison goods commitments will absorb all residual expenditure to the period 2018, but driven by growth in population and expenditure, the assessment identifies surplus capacity for an additional c.20,724 sqm net of comparison goods floorspace by 2031. This is based on current market share, and there is the potential to enhance retention to support additional floorspace over and above this figure if the opportunity arises. Such a scenario/development proposal would need to be supported by detailed retail impact testing.

7. Capacity and Specific Centre Opportunities

7.1 Our capacity analysis provides an indication of quantitative need, but qualitative considerations are also relevant. Drawing on the detail analysis included in Appendix 4 and the outputs of the quantitative analysis presented in Appendices 2 and 3, this section sets out a broad overview of the performance of each of the town centres and Central London frontages, and identifies potential development opportunity sites.

7.2 The floorspace capacity identified in this section is based on maintaining current market shares and the figures have been rounded.

Camden Town

7.3 Camden Town has a retail and service offer that reflects its designation as a major town centre and international tourist destination. We consider that Camden Town is performing very strongly in terms of convenience, comparison and service provision, achieving a low vacancy rate and performing well against other key indicators.

7.4 The key strengths of the centre are the high proportion of independent retailers who are established in the centre, the extensive market provision which attract high numbers of tourists and the strong leisure service offer which adds vibrancy to the centre. The unique and strong performance of Camden Town is reflected in a strong 'inflow' of trade from beyond the Household Telephone Survey Area, which has been identified to be 51% for comparison goods.

7.5 Current planning policies seek to continue the provision of small shop units in Camden Town, support creative industries, manage the balance of retail and leisure uses, provide a well-managed night time economy and protect and promote the markets, all of which we consider crucial to maintaining Camden Town's retail and leisure offer over the plan period. The redevelopment of Hawley Wharf will enhance the retail and leisure offer in Camden Town and ensure that the centre continues to attract visitors from within and outside the survey area to Camden's renowned markets. We also support the Council's strategy to improve perceptions of community safety.

7.6 Over the plan period we consider that it will also be important to provide enhancements in the public realm and shopfronts, particularly in the south of the centre, which is currently of a significantly lower quality in contrast to the rest of the centre. This part of the centre is considered to be more suitable to facilitate the amalgamation of vacant and underused shop units to provide larger retail units, whilst the central and northern part of the town centre should continue to seek to limit retail floorspace provision to maintain the special independent retail character of the town.

7.7 In terms of the need for convenience goods, our assessment has identified that Camden Town has two of the three largest foodstores in the borough, and both are trading strongly, above company average levels. Camden has a market share of 74.7% for food in Zone 2, its location zone, but also draws trade from adjoining zones 1 (7%), 3 (8.7%), 4 (39.5%) 6 (10.5%) and 7 (7.9%). Zone 4 is Hampstead's location zone, demonstrating that this centre is not meeting the local need arising.

7.8 After commitments in Camden Town have been factored in (Morrisons extension Chalk Farm Road, and Hawley Wharf), we have identified capacity for circa 7,140 sqm net convenience goods floorspace in Camden Town to the period 2031, based on current market shares. It should be noted that the commitment at Kings Cross Central may also draw on some of the residual expenditure arising in Camden Town to support new floorspace. Therefore the floorspace capacity arising in Camden Town is likely to be lower than the figure identified above. The identified capacity is driven by the performance of existing provision and the strong catchment area across the borough and wider telephone survey area. The findings also demonstrate the weaker foodstore offer in other parts of the borough, i.e. Hampstead/Zone 4 where there is a limited distribution of large foodstores.

7.9 In terms of need for comparison goods, our assessment has identified a forecast capacity for circa 7,430 sqm net by 2031 in Camden Town based on current market shares, and having taken account of all committed development in Camden Town. We also consider it is likely that the commitments at Kings Cross Central will also draw on residual expenditure arising in Camden Town, and therefore the need for additional comparison floorspace in Camden Town is likely to be lower than circa 7,430 sqm net.

7.10 Based on a low core catchment market share (10.8%), we consider there are opportunities to accommodate additional comparison goods floorspace if an appropriate, policy compliant opportunity arises. Such a scenario would be based on claw-back from the West End, so a proposal would need to be of a suitable mix to achieve such an outcome.

7.11 Camden has a number of potential development opportunities, which could accommodate either food or non-food retail floorspace. These include the Sainsbury's car park and offices on Kentish Town Road, and an intensification of the Morrisons car park through potential decking of existing parking space. Elsewhere, opportunities are evident at:

- 100 Chalk Farm Road;
- The site bound by Camden High Street, Buck Street and Kentish Town Centre as part of a long term aspiration to expand the Underground Station;
- 5-7 Buck Street and 1-8 Stucley Place;
- 180 Arlington Road, provided the cinema were retained or replaced;
- 39 Kentish Town Road, north of the canal, provided enhanced integration with the existing centre;
- 218 Eversholt Street, The Crowndale Centre. We understand the Council offices have been identified for disposal, and would need to provide housing above ground floor level. There may be opportunity for retail at ground floor.

Kilburn High Road

7.12 Kilburn High Road is the second largest town centre in the Borough and performs well, particularly for convenience goods and service provision. The centre has one medium sized Sainsbury's, and a smaller local Marks & Spencer Food and Sainsbury's Local format store. All foodstores are overtrading.

7.13 The comparison goods offer in the centre is catered towards the discount retail market, and is currently below national average levels in terms of number of units and floorspace. Despite the surprisingly weak comparison goods offer for a centre of this size, Kilburn High Road still manages to achieve reasonable market shares across the survey area for both convenience and comparison goods.

7.14 In contrast to Camden Town, we consider that the shopping role in Kilburn High Road is more localised and the centre attracts lower proportions of visitors from outside the study area; achieving a 35% trade inflow. We believe this status as a more localised shopping destination will remain unchanged over the plan period, and as discussed further below, there are no major development opportunities suitable or sufficient to create such a step change. In the case of Kilburn, the consolidation of the centre is more crucial.

7.15 Our analysis has identified that key issues facing Kilburn over the plan period are improving the quality of the street environment and shopfronts, and improving perceptions of safety. Current planning policy for Kilburn seeks to enhance street and public spaces, promote a shopping core in the centre, a cultural zone in the north and a mixed use zone in the south. The Council will seek development of larger units within the shopping core and aim to improve perceptions of safety.

7.16 We support the Council's strategy to define a shopping core in the centre of the town as the focus for convenience and comparison retailing. It will enable greater flexibility in the secondary areas of the town centre in the north and encourage the mix of alternative suitable town centre uses to increase pedestrian activity in this area. It will also be crucial for Kilburn to improve its comparison goods offer over the plan period in order to perform its role as a major centre in the London Plan.

7.17 Kilburn is located on the boundary of Zone 3 and Zone 5 with a reasonable convenience goods market share of 10.4% and 34.4% respectively. In terms of need for convenience goods floorspace, our assessment has identified no commitments and forecast capacity for circa 1,420 sqm net by 2031, based on current market shares.

7.18 Aside from Kilburn market share, Zone 3 expenditure is also travelling to Camden Town (8.7%), Finchley Road/Swiss Cottage (48.8%), and West Hampstead (6.7%); Finchley Road/Swiss Cottage and West Hampstead are both located in Zone 3, but Camden is further afield in Zone 2. In Zone 5, the main competition for Kilburn High Road is Finchley Road/Swiss Cottage, which has a market share of 10.3%.

7.19 Our assessment demonstrates a qualitative and quantitative need to improve convenience goods/foodstore provision in Kilburn High Road if the opportunity arises. We note that the opening of Aldi in April 2013, on Kilburn High Road, will have gone some way to improving convenience goods provision in the centre, but we consider there is a residual need outstanding given the strong overperformance of existing floorspace and continuing leakage to Finchley Road/Swiss Cottage and Camden Town.

7.20 In terms of comparison goods need, our assessment has identified that Kilburn High Road is performing reasonably well, generating a forecast capacity for circa 2,650 sqm net by 2031,based on current market shares. Like other centres in the borough there is an economic opportunity to increase market share to support additional floorspace, but there are limited development opportunity sites in the town centre. This reinforces our conclusion in respect of the consolidation and reconfiguration of existing space, rather than growth of the centre which is already elongated.

7.21 Aside from the Belsize Road car park commitment, which is located outside Kilburn High Road Town Centre, alternative development sites include the former Gaumont State Cinema and Bingo Hall; and Kilburn Square, identified for redevelopment in the LB Brent site specific allocations DPD 2011 for retail, market, residential and community uses. Recent developments in the centre such as the amalgamation of small units to create larger units have enabled operators such as TK Maxx to open stores in the central area, and this approach should be replicated where possible to attract more multiple retailers to the town and to improve the breadth of the shopping offer in Kilburn.

7.22 Given the overtrading and strong performance of existing foodstores/convenience goods floorspace, the Council should proactively support the representation of additional food retailers where possible, including through the amalgamation of existing smaller units.

Finchley Road/Swiss Cottage

7.23 Our analysis of Finchley Road/Swiss Cottage has identified that the centre currently has a very strong convenience goods offer, in addition to an established service provision. In contrast, Finchley Road/Swiss Cottage has a relatively limited comparison goods provision, falling below the national average in terms of number of units and floorspace.

7.24 Despite this, Finchley Road/Swiss Cottage achieves the second highest level of trade retention for comparison goods in the Borough (after Camden Town). As a result of two foodstore anchors, car parking, Homebase, cinemas and health clubs, Finchley Road/Swiss Cottage currently serves a wide catchment area and has a significant influence on shopping patterns in the Borough. Key issues for the centre include the weak linkages within the centre between both sides of the busy A41 which dissects the centre and restricts movement.

7.25 The Council's current planning policy for Finchley Road/Swiss Cottage supports the core shopping area and seeks to manage the location of leisure uses on residential amenity. The strategy seeks to improve pedestrian links across Finchley Road, promote enhancements to the local environment and improve gateways in to the centre from east and west routes. We support this town centre strategy.

7.26 Finchley Road/Swiss Cottage is, together with Camden Town, the strongest performing convenience goods destination in the borough. The centre has the largest foodstore in the borough (Sainsbury's at the O2), and both the Waitrose and Sainsbury's are amongst the top performing foodstores in the borough alongside the Sainsbury's and Morrisons foodstores in Camden Town – in terms of turnover. Both foodstores in Finchley Road/Swiss Cottage are substantially overtrading.

7.27 Finchley Road/Swiss Cottage is located in Zone 3, in which it has a 48.8% market share for convenience goods. Finchley Road/Swiss Cottage is also influential in Zone 4 (8.5% market share), Zone 5 (10.3% market share) and Zone 6 (33.4% market share). Based on a strong catchment and strong performing floorspace, we have identified capacity for circa 8,700 sqm net by 2031. This is driven to some extent by weaknesses in offer in the other borough centres, notably Hampstead, Kilburn High Road and West Hampstead, and it may be more sustainable to plan to direct some of this capacity to improved facilities in these centres, if the appropriate development opportunity arises.

7.28 Finchley Road/Swiss Cottage is performing strongly in respect of comparison goods floorspace efficiency, and also achieves a 30% inflow of trade from beyond the telephone survey area. We have identified a forecast capacity for an additional circa 2,640 sqm net of comparison goods floorspace by 2031, based on a constant market share. In practice, we consider that an attractive new development could enhance market share.

7.29 In addition, it is likely that the capacity for additional convenience and comparison goods floorspace identified is reduced further through the implementation of commitments at Kings Cross Central, which are likely draw on some residual expenditure arising within Finchley Road/Swiss Cottage.

7.30 The Council have identified the O2 Centre car park as a mixed use development site, provided any loss of parking would not be detrimental to the health of the centre. The decking of the car park is the current preference moving forwards to avoid any loss of spaces. We consider this site is well located to accommodate additional retail floorspace over the plan period, for both food and non-food. An alternative smaller site at 100 Avenue Road is allocated in the draft Camden Site Allocations DPD; primarily for residential and employment uses, but with some small scale retail at ground floor.

Hampstead

7.31 Key indicators demonstrate that Hampstead is performing a strong comparison and service function and benefits from high end representation from both multiple and independent retailers. Whilst the centre is the second smallest town centre in the Borough, Hampstead has a well-established boutique and niche comparison goods offer, which attracts visitors from outside the survey area. A key strength of the centre is the attractive shopping environment it provides as a result of its historic architecture and village like atmosphere which reflects its affluent catchment area.

7.32 The centre is currently underperforming in terms of its convenience goods offer, with a high proportion of catchment spend leaking to alternative destinations, as well as the internet. Hampstead has only one small Tesco Express. Within it's core catchment (Zone 4) the centre has a market share of only 4.2%, with convenience goods trade leaking to centres in adjoining zones, notably Camden Town (39.5%), Kentish Town (10.1%) and Finchley Road/Swiss Cottage (8.5%). Given the weak performance and low market share, the assessment identifies capacity for circa 300 sqm net by 2031. There are no commitments for new foodstores, and whilst Hampstead would benefit from improved provision, there are no evident development opportunity sites with which to enhance the foodstore offer and reverse trade leakage.

7.33 Hampstead is performing well in terms of comparison goods with a strong floorspace efficiency. Despite a low market share (7%) from core Zone 4, the assessment identifies capacity for 2,150 sqm net comparison goods floorspace by 2031.

7.34 Current planning policy seeks to protect the special character of Hampstead by enforcing high quality design, providing small scale street and public space improvements and focusing shopping provision in the core of the centre. Results from the household telephone survey also indicate that car parking and traffic is a key issue to shoppers and therefore it will be important for the Council to continue to explore car parking and accessibility issues.

7.35 There are no evident development opportunity sites in Hampstead at the current time, but the Council should proactively support policy compliant proposals for additional convenience goods floorspace where possible. The enhancement of convenience goods floorspace is currently more urgent in qualitative terms than for comparison goods which is performing well and attracting a 52% trade inflow from beyond the telephone survey area.

Kentish Town

7.36 Kentish Town is considered to perform a local and functional shopping role, catering to the convenience and service day to day needs of local residents. The comparison goods offer in the centre is considerably weaker and is dominated by the provision of discount retailers, however the vacancy level of the centre is low and the centre appears to be performing reasonably well for a centre of this size given its proximity to Camden Town. Our analysis has identified issues relating to the appearance of the centre, particularly in the more secondary areas and would benefit from streetscape and shopfront improvements.

7.37 Current planning policies support the character and retail role of Kentish Town by managing proportions of non-retail premises, providing street and public space enhancements, reducing the impact of traffic on the centre and improving the canopy area next to the station. We consider that these policies are appropriate for the town centre, to enhance the overall day to day shopping function of Kentish Town.

7.38 In terms of convenience goods need, Kentish Town has only small foodstores (below 600 sqm net) and a low market share in Zone 2 (13.2%), the centre's location zone. Kentish Town does have market share in Zone 4 (10.1%), again reflecting the weak offer in Hampstead to the north. Zone 2 residents are primarily drawn to Camden Town (74.7%), also located in Zone 2, and based on current market share, our assessment has identified capacity arising to support circa 760 sqm net convenience floorspace in Kentish Town by 2031.

7.39 In terms of comparison goods, our assessment has identified capacity for circa 850 sqm net of additional floorspace by 2031 based on current market share. The centre is in the same survey zone as Camden Town and located relatively close to the strong performing centre. Kentish Town has a more limited 'inflow' of comparison goods trade (just 10%) from beyond the telephone survey area, and is likely to continue to perform a more localised shopping role for a local catchment area over the plan period.

7.40 There are no clear development sites within Kentish Town, and we consider that existing vacant units could be reconfigured to accommodate larger floorplates, and existing foodstores extended to provide additional floorspace. Suitable edge of centre sites may be acceptable to accommodate retail needs if sites are well integrated to the town centre, and are of a suitable scale to the role and function of the centre, subject to demonstrating compliance with other policy tests. Kentish Town is in a need of a larger foodstore, and like Hampstead and West Hampstead, currently only offers smaller format top up shopping destinations.

West Hampstead

7.41 West Hampstead is the smallest town centre in the Borough, and provides a particularly strong leisure service provision. It has a weaker comparison goods offer, which is consistent with the scale and role of the centre. West Hampstead has a below average level of convenience goods floorspace including very small local and express foodstores.

7.42 The Council's strategy for West Hampstead is to provide a mix of uses to service the local area but avoid further loss of ground floor retail units, it will also improve the transport interchange and control the location and concentration of food, drink and entertainment uses on residential amenity.

7.43 West Hampstead is located in Zone 3, and in terms of assessing the need for additional convenience goods floorspace it is evident that the centre has a weak foodstore shopping role and a consequent limited market share (6.7%). Zone 3 trade is primarily being diverted to Finchley Road/Swiss Cottage given the superior foodstore offer, although a more localised need in West Hampstead is evident from the substantial overtrading of the existing Tesco Express and Sainsbury's Local.

7.44 The quantitative assessment has identified a baseline capacity of circa 330 sqm net of convenience goods floorspace by 2031, based on current market shares. However, we consider there is greater scope for additional foodstore provision in West Hampstead as a consequence of qualitative deficiencies and the opportunity to claw-back trade to the local catchment. Policy should proactively support proposed convenience goods floorspace in West Hampstead over the plan period. This will ensure West Hampstead continues to perform a strong and sustainable district centre role.

7.45 In terms of comparison goods, West Hampstead is the weakest performing centre in the borough, with a low floorspace sales efficiency and almost negligible market share. We have identified no capacity for additional floorspace over the plan period to 2031. Nevertheless, we conclude that West Hampstead would benefit from the enhancement of floorspace and the attraction of better quality retailers, but this is likely to be in the context that the centre is a lower order district centre and almost certainly likely to continue this role over the plan period. The policy aspiration should be consolidation rather than step change and an aspiration to compete with the larger, higher order centres.

7.46 The key development opportunity site is identified as 156 West End Lane, currently occupied by Travis Perkins, and allocated in the Camden Site Allocations DPD. The appropriate uses are identified as being mixed, but we conclude that the Coucnil should consider actively encouraging provision of a foodstore in order to meet the considerable local need, to enhance the centres role as a localised district centre, and to claw back lost trade to nearby centres, notably Finchley Road/Swiss Cottage. We have made no assessment of suitability or viability and this should be tested further to gauge commercial demand in the first instance.

7.47 West Hampstead is allocated as an Area for Intensification in the London Plan. Our analysis supports this policy aspiration and the Council should proactively encourage the enhancement of both convenience and comparison goods floorspace over the plan period in order to improve and maintain its role as a strong performing district centre.

Tottenham Court Road / Charing Cross Road

7.48 Our analysis of Tottenham Court Road central London frontage has identified that the centre is performing well against a number of key health check indicators, providing a significant proportion of comparison goods, historically being associated with specialist furniture, electricals, book and music shops, as well as top up convenience goods shopping and service for local workers and tourists. Spend from outside the survey area (including workers and tourists), has significant influences on shopping patterns in Tottenham Court Road, reflecting the proximity of Oxford Street. Tottenham Court Road is identified as an Opportunity Area in the London Plan, and the Crossrail development and the redevelopment of St Giles provides a significant opportunity for additional retail and service expansion over the plan period.

7.49 The current Council strategy for the Tottenham Court Road/Charing Cross Road central London frontage promotes and preserves the specialist retail character of the area, supports the expansion of retail uses along New Oxford Street, and seeks to pursue significant improvements to the pedestrian environment, traffic enhancements and to prevent crime.

7.50 We consider that the strong comparison goods offer of the frontage should be maintained, particularly along Tottenham Court Road. Reflecting national trends, the specialist retail sectors of books, electronics and homewares for which Tottenham Court Road and Charing Cross Road are known, are in decline. Therefore it will be important the planning policies are flexible to enable retailers to continue to develop their multichannel retail offer, particularly in flagship stores, which may require flexibility to adapt and provide larger retail units in this location.

7.51 We consider that the intensification of comparison and convenience goods retail at Tottenham Court Road should be promoted to provide a strong retail core to this part of the West End. We consider that a greater mix of town centre uses should be promoted along New Oxford Street and Charing Cross Road so that the retail offer across this part of the central London frontage is not diluted and responds to market demand. Linkages between Tottenham Court Road and Holborn should be encouraged and active frontages pursued along New Oxford Street, however this should incorporate a diverse mix of town centre uses, and not restricted to A1 retail.

7.52 We have identified no capacity arising for convenience goods floorspace over the plan period, however if a foodstore proposal were to come forward in this location we consider that there would be sufficient spend from the study area and from inflow to support such a proposal, subject to compliance with other planning policy tests.

7.53 We have identified significant capacity for comparison goods floorspace (nearly 12,000 sqm net) over the plan period in Tottenham Court Road. We consider that there are several sites coming forward over the plan period which will be able to accommodate retail floorspace, for example the redevelopment of St Giles Circus, Central Cross and the Royal Mail Sorting Office (21-31 New Oxford Street). In addition, opportunities will arise to redevelop underutilised retail units or blocks to build on the increased levels of footfall arising from the Crossrail development after 2018.

Holborn

7.54 Our analysis of Holborn central London frontage has identified that the centre functions primarily as a town centre for the local workforce population, with a retail offer catered towards meeting the day to day needs of workers, particularly in the convenience and service sectors. The centre provides a more limited comparison goods offer.

7.55 The centre is performing well against a number of health check indicators and benefits from low vacancy rates and high levels of retailer demand, reflecting the central London location and dense office population. Results of the household survey indicate that only a small proportion of respondents from the survey area visit Holborn regularly, indicating that the retail function of the centre is primarily supported by workers commuting in to Holborn from outside the study area during the week, as well as tourists.

7.56 The Council's current strategy for Holborn seeks to increase the availability of ground floor retail uses to create active public spaces, manage the level of shops and food and drink premises, manage the night time economy, improve pedestrian linkages to the West End and prevent crime. We consider that the Council's strategy for Holborn is appropriate and will seek to maintain the current role of Holborn over the plan period.

7.57 This study has identified no convenience capacity arising in Holborn over the plan period. However, due to the strong workforce populations there is likely to be enough available expenditure to support additional convenience goods provision should future applications come forward. We have identified capacity for nearly 2,000 sqm comparison goods floorspace over the plan period. Redevelopment of allocated sites at High Holborn and Southampton Row provide opportunities to provide additional ground floor retail, and further opportunities for intensification or refurbishment of existing buildings will provide retail development opportunities over the plan period.

Summary

- Our analysis considers the individual capacity generated by the main town centres and central London frontages. A breakdown of the capacity identified for convenience and comparison goods, based on current market shares, is summarised in Tables 7.1 and 7.2.

Table 7.1: Baseline Capacity Forecasts for Convenience Goods in Camden

	2018	2023	2028	2031
Camden Borough Floorspace Capacity (sqm net)	**9,045**	**9,455**	**10,591**	**11,619**
Camden Town Indicative Capacity (sqm net)	4,858	5,545	6,735	7,143
Kilburn High Road Indicative Capacity (sqm net)	887	1,080	1,293	1,416
Finchley Road/Swiss Cottage Indicative Capacity (sqm net)	7,249	7,775	8,361	8,689
Hampstead Indicative Capacity (sqm net)	215	243	275	295
Kentish Town Indicative Capacity (sqm net)	469	548	712	758
West Hampstead Indicative Capacity (sqm net)	205	253	300	327
Tottenham Court Road Indicative Capacity (sqm net)	-3,190	-3,160	-3,123	-3,104
Holborn Indicative Capacity (sqm net)	-1,179	-1,149	-1,113	-1,114

Source: Appendix 2, Tables 12 - 20

Note: Retail capacity figures for the main town centres and central London frontages do not total the global capacity figure, which also includes commitments at Kings Cross and Abbey Road.

Table 7.2: Baseline Capacity Forecasts for Comparison Goods in Camden

	2018	2023	2028	2031
Camden Borough Floorspace Capacity (sqm net)	**-1,278**	**2,922**	**13,789**	**20,724**
Camden Town Indicative Capacity (sqm net)	609	2,292	5,945	7,428
Kilburn High Road Indicative Capacity (sqm net)	480	914	1,691	2,150
Finchley Road/Swiss Cottage Indicative Capacity (sqm net)	258	385	709	843
Hampstead Indicative Capacity (sqm net)	445	1,062	2,066	2,651
Kentish Town Indicative Capacity (sqm net)	70	791	1,962	2,641
West Hampstead Indicative Capacity (sqm net)	-655	-598	-515	-465
Tottenham Court Road Indicative Capacity (sqm net)	1,489	4,417	9,145	11,817
Holborn Indicative Capacity (sqm net)	479	895	1,515	1,881

Source: Appendix 3, Tables 12 - 20

Note: Retail capacity figures for the main town centres and central London frontages do not total the global capacity figure, which also includes commitments which do not fall within the town centres or central London frontages.

8. Conclusions and Recommendations

8.1 This section considers the findings of the detailed qualitative and quantitative background evidence analysis (Sections 1-7), and provides a clear set of policy recommendations in respect of where it may be appropriate to plan for new retail development.

Distribution of Growth

8.2 As highlighted in Section 7, the capacity for additional retail floorspace in each of the main town centres and central London frontages has been calculated on the basis of current market shares. However, we have also identified the potential to strengthen centres which have a weak trade retention at present, or direct development at those centres which provide the best potential to improve overall trade retention.

8.3 Whilst we consider convenience and comparison goods separately, it is recognised the planning system does not control specific uses within the A1 shops use class within town centres.

Convenience Goods

8.4 There is significant capacity arising for additional convenience goods floorspace across the borough. We have identified capacity for additional floorspace in each of the six town centres, and given the strong catchment area and performance of existing foodstores the Council should proactively encourage such development where it can be demonstrated to be policy compliant. This would range from small local format stores through to medium and larger foodstores, and the scale of development should not necessarily be restricted to the capacity identified 'by centre' as discussed above. There is sufficient expenditure to redistribute trade into more localised catchment areas.

8.5 The analysis highlights that Hampstead and West Hampstead are in greatest need of new foodstore provision in order to perform their roles and to create more sustainable shopping patterns for the local catchment population. This reflects the current 'gaps' in foodstore distribution and provision within these locations, and the prevalence/reliance on the internet to undertake main food shopping.

8.6 The most evident development opportunity in West Hampstead is around the transport interchange and the Travis Perkins site, and the Council should consider actively encouraging provision in this location.

8.7 Hampstead has no evident development opportunities and it would appear difficult to enhance the convenience goods offer over the plan period. Nevertheless, the Council should again actively encourage such provision where policy compliant opportunities arise. Hampstead is strongly reliant on high end niche/luxury/boutique comparison goods retailing, and foodstore development adjoining/outside the town centre is likely to have less of an impact on the function of the town centre compared to other town centres in the borough. This would need to be robustly tested through the appropriate retail assessments.

8.8 Camden Town and Finchley Road/Swiss Cottage have the largest foodstores in the borough, all of which are substantially overtrading. They also have the largest catchment areas and draw trade from the catchments of smaller sized towns in the borough. Both could support additional convenience goods floorspace, and a number of opportunities appear to be evident throughout both centres.

8.9 Kentish Town is limited to smaller format top up foodstores and would benefit from a medium to larger scale foodstore over the plan period. There are no evident development sites, but at the very least there may be opportunities to merge smaller units into larger floorplates. The Council should proactively support the emergence of foodstore sites/proposals where appropriate.

8.10 Similarly, foodstores in Kilburn High Road are performing strongly and there is an identified need for additional floorspace but limited development opportunities. The centre has successfully created larger floorplates through amalgamation, and where the opportunity arises the Council should proactively support the introduction of new foodstore/floorspace provision. This would assist in meeting the needs of the local catchment area and clawing back lost trade to Finchley Road/Swiss Cottage, creating more sustainable shopping patterns. Opportunities within the town centre should be considered in the first instance, but edge and out-of-centre sites might be appropriate if robustly tested through the appropriate policy compliant assessments.

Comparison Goods

8.11 The analysis identifies a global capacity for around 21,100 sqm net of comparison goods floorspace in the borough by 2031. This figure is in addition to major committed development at Kings Cross Central and Hawley Wharf in Camden Town.

8.12 The Central London Frontages of Tottenham Court Road and Holborn currently have a strong catchment, with high levels of inflow from local workers and shoppers who travel to these centres from outside the telephone survey area. Existing comparison goods floorspace in these centres, particularly at Tottenham Court Road, achieves very high sales densities, which is unsurprising considering their central London location, adjacent to the West End. Accordingly, in the light of the significant future redevelopment opportunities coming forward in Midtown and Tottenham Court Road/St Giles, these centres could support considerable levels of the identified comparison goods capacity.

8.13 In addition, we consider that Camden Town and Finchley Road/Swiss Cottage town centres are also able to accommodate additional comparison goods floorspace given identified development opportunity sites. Furthermore, in accordance with its designation as a growth area, West Hampstead could also accommodate some retail around the transport interchange, and the findings from our analysis would support this in terms of qualitative need.

8.14 In constrast, the opportunities for significant retail floorspace growth is considerably restricted in Hampstead, Kentish Town and Kilburn High Road.

8.15 The Euston Area Economic Vision, prepared by GVA, is an evidence base document to support the draft Euston Area Plan (EAP) (June 2013). The report concludes that on the basis of no significant change in footfall at Euston, there would be capacity to support c.4,800 sqm gross retail floorspace (use classes A1-A5). However, the report also considered the scope to support additional comparison goods floorspace within the Euston area to reinforce the station's current role and function. Due to the accessibility of the site, the Euston area could meet wider comparison goods shopping needs within the Borough, as part of a balanced network of centres.

8.16 A high level impact analysis was undertaken which tests the impact of a scenario of up to 8,000 sqm net use class A1 retail floorspace coming forward at Euston, which indicates that the development of a scheme such as this, would be likely to function more like a new District Centre, with limited impact on neighbourhood centres but having more of a significant draw on spend from the larger town centres existing in the area.

8.17 The EAP evidence base has not tested or considered the potential role of Euston to meet the wider needs of the Borough, however it is clear that some comparison goods need could be accommodated within the Euston area. The impact of the scale of such provision should be thoroughly tested should the Council seek to allocate significant levels of comparison goods floorspace to Euston.

8.18 It is also relevant to consider that some capacity may be drawn out of the Borough by pipeline developments at Brent Cross and the West End. If large scale developments such as those identified in Section 4 come forward, without the delivery of significant retail floorspace within the Borough, it is likely that competing centres will increase their market share from Camden over the plan period, thereby reducing the available residual expenditure arising in the Borough to support new floorspace in the Camden centres.

8.19 However, given the low market share for comparison goods in the borough, as a consequence of strong competition from the West End and Brent Cross, there is potential opportunity to increase market share to support additional retail floorspace over and above the global figure. Clearly, such changes to market share/trade draw must be robustly tested.

8.20 Overall, we consider the focus for new growth should be within the central London frontages (particularly Tottenham Court Road), the Growth Areas (particularly Euston) and other town centres (particularly Camden Town).

Planning Policy Recommendations

Retail Hierarchy

8.21 In line with national planning policy and the London Plan, the Council currently seek to focus new retail development to Growth Areas and the network of existing centres in the first instance, the majority directed to Kings Cross, Euston and Camden Town, and the remainder to the other Growth Areas, town centres and central London frontages.

8.22 In accordance with the NPPF, LPAs are required to define a network and hierarchy of centres that is resilient to future economic changes. The appropriateness of the retail hierarchy must be considered in the context of the London Plan. The London Plan allocates Camden Town and Kilburn as 'major centres' which by definition contain over 50,000 sqm retail floorspace with a relatively high proportion of comparison goods relative to convenience goods. Hampstead, Kentish Town, Finchley Road/Swiss Cottage and West Hampstead are identified in the London Plan as district centres, which are defined as providing convenience goods and services for local communities, typically containing 10,000-50,000 sqm retail floorspace.

8.23 Based on the findings of our detailed health checks of the centres and analysis of shopping patterns arising in the study area, we consider that the two largest town centres of Camden Town and Kilburn High Road both provide over 50,000 sqm gross retail floorspace and serve relatively wide catchment areas for both convenience and comparison goods compared to other town centres.

8.24 Camden Town provides the largest comparison goods shopping role in the Borough and well established markets and a strong tourism function also enable the centre to perform well as a major centre. Kilburn performs a weaker shopping role in comparison to Camden Town, however the centre draws reasonable levels of convenience and comparison market share and we consider that the centres designation in the London Plan as a major centre is reasonable.

8.25 The smaller centres of Finchley Road/Swiss Cottage, Kentish Town and West Hampstead both broadly fit within the Local Plan designation of a district centre, particularly in terms of scale and function which is focused on local provision of convenience goods and services. Hampstead is also of the scale of a district centre (in terms of total retail floorspace). However, we consider that Hampstead performs more of a specialist high end comparison goods role and has a relatively weak convenience goods offer, and we would expect a district centre to provide a stronger food shopping role, and this should be encouraged.

8.26 The London Plan allocates Tottenham Court Road, Charing Cross Road, Holborn, and Euston Road as CAZ frontages which we consider to be appropriate considering the retail role that these centres play within the central activities zone, defined as a mixed use areas with a predominant retail function.

8.27 Camden Core Strategy Policy CS7 identifies the current retail hierarchy in the Borough which currently designates Camden Town, Hampstead, Kentish Town, Kilburn High Road, Finchley Road/Swiss Cottage and West Hampstead all as 'town centres'. Tottenham Court Road and Holborn are identified as 'central London frontages'. Each of the centres in Camden performs different retail functions, and policies for each centre are set out in centre specific planning objectives. Overall we consider that the current retail hierarchy in Camden appears to be reasonable.

8.28 The London Plan (2011) recommends that changes to the network of London centres, including the extension of existing centres, should be co-ordinated strategically. Deficiencies within the network of centres could be addressed by promoting centres to function at a higher level in the hierarchy where necessary. If the future proposals for the Euston area involve the provision of significant levels of new floorspace, it may be appropriate to designate Euston as a town centre. This would require a full assessment of the impact on the surrounding retail hierarchy and network of centres.

Town Centre Boundaries and Frontages

8.29 The NPPF and London Plan require LPAs to define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies for uses which will be permitted in these areas. Town centre and Central London Frontage boundaries and are defined on the Camden Proposals Map. Core and secondary frontages are defined for each centre in Camden Planning Guidance 5 for Town Centres (2011, 2013).

Town Centre Boundaries

8.30 On review of the town centre boundaries we consider that the defined town centre boundaries for each of the centres appear reasonable, and incorporate the full extent of retail provision in the centres. Due to the relatively constrained nature of the majority of the town centres in the Borough, and the resultant limited site opportunities to accommodate significant levels of retail growth, we consider that it would not be appropriate to reduce the extent of any of the town centre boundaries.

8.31 Boundaries for the central London frontages include specific blocks of retail units which front on to Tottenham Court Road, Charing Cross Road, High Holborn and Kingsway. Following review of the extent of the existing frontage designations we consider that these appear to be reasonable and cover the extent of the prime retail areas within the central London frontages.

8.32 We recommend that following the implementation of the Crossrail development in 2018, the central London frontage in this location is reviewed.

Frontages

8.33 The NPPF defines primary frontages as likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary retail frontages are defined as having greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.

8.34 In general, the extent of the defined core and secondary frontages in Camden are considered to be appropriate. The defined retail cores cover areas with the greatest concentration of retail uses. The secondary frontages cover areas with a wider variety of town centre uses. Within Camden, sensitive frontages are defined in areas where there may be potential conflict between late night activities and residential amenity. We would recommend that for consistency with the NPPF the Council should consider redefining 'core frontages' as 'primary frontages'.

8.35 The Council set specific requirements for the proportion of A1 or A3/4/5 uses which will be acceptable in the core, secondary and sensitive frontages, which vary from centre to centre. These requirements focus higher proportions of Class A1 retail in primary frontages, in line with the NPPF.

8.36 We consider that the specific policy requirements for minimum retail and maximum food and drink units within with each frontage must continue to be appropriately monitored to ensure that these do not restrict or inhibit the occupation of units, particularly in secondary areas. It will be important for centres which have problems with high vacancy levels in secondary areas that the specific thresholds for maximum levels of A3/4/5 uses are not overly restrictive and that vacant units are able to be brought back into beneficial economic use (for example Kilburn High Road).

8.37 This is particularly important in light of the Government's recent amendments to permitted development rights, which allow temporary changes of use in town centres to bring vacant commercial buildings back in to Class A1/2/3/B1 use (up to 150m). We therefore recommend that the Council monitors the proportion of uses within primary and secondary areas and where appropriate allow greater flexibility of uses to encourage social activity in peripheral retail areas.

8.38 We note that the current retail planning policies do not specifically identify a primary shopping area for centres in the Borough, which is a requirement of the NPPF. Primary shopping areas are defined as comprising the defined primary and secondary shopping frontages, and therefore we recommend that the Council clarifies that the primary (core) and secondary frontages in Camden comprise the primary shopping area. Definition of the primary shopping area is crucial when considering planning applications as the PSA is defined as 'in-centre' for the purposes of undertaking a sequential approach to site selection, therefore definitions must be consistent with the NPPF. The Council should also consider how the 'sensitive' frontages in Camden Town fit within the defined PSA.

Eating and Drinking Provision

8.39 Our health check analysis of the centres has identified that none of the town centres have a particular deficiency in eating and drinking provision (leisure service uses) in the Borough. The central London frontages of Tottenham Court Road and Holborn provide strong leisure service uses, however this is mainly as a result of a high provision of cafés and coffee shops, and there may be scope to diversify the daytime and evening eating and drinking offer within the frontages at Charing Cross Road, New Oxford Street, Kingsway and High Holborn.

8.40 Eating and drinking provision in Camden Town is strong, and provides a key role in the attraction of the retail offer of the town centre and supports the tourism role of the centre. Accordingly we consider that the existing provision of day time and evening Class A3 and A4 retail units in the centre should be maintained over the plan period and, where appropriate, enhanced.

8.41 The proportion of leisure service units in Kentish Town, Kilburn High Road, Finchley Road/Swiss Cottage and West Hampstead are all in line with the national average, however, as the role of town centres continue to evolve and provide a wider shopping and leisure experience to draw footfall, it will be important for these centres to provide a flexible approach to the provision of daytime and evening eating and drinking uses in secondary areas to encourage people to increase their dwell time in these centres.

Policy Consistency with NPPF

8.42 The NPPF advises that LPAs should plan positively to meet needs arising for town centre uses. Policies should support the vitality and viability of town centres, and allocate a range of suitable sites to meet the scale and type of retail development needed in full. Meeting these needs should not be compromised by limited site availability, and LPAs should ensure that there is a sufficient supply of sites, adopting a sequential approach to site selection. Where suitable and viable town centre sites are not available, appropriate edge of centres sites which are well connected to the town centre should be allocated. Where sufficient edge of centre sites cannot be identified, the LPA should set policies for meeting the identified needs in other accessible locations that are well connected to the town centre.

8.43 The findings of this study have identified significant capacity arising for convenience goods over the plan period. New convenience goods floorspace within existing centres should be encouraged, and where central sites cannot be identified, policies should ensure that proposals which come forward outside the primary shopping area should be tested against the NPPF and other appropriate local policies. We recommend that the Council should take a proactive approach to review in centre, edge of centre and other accessible sites which would be capable of meeting the identified convenience goods needs arising.

8.44 Significant capacity for comparison goods was also identified in the Borough between 2018 and 2031. In accordance with the London Plan we advise that the Council should direct significant retail development towards the central London frontages (particularly Tottenham Court Road), the growth areas (particularly Euston) and other town centres (particularly Camden Town).

8.45 We recommend that the Council should undertake a review of suitable sites within these locations to accommodate future retail needs over the medium to long term. Within the smaller town centres of Finchley Road/Swiss Cottage, Hampstead and Kentish Town there will also be scope to improve the qualitative comparison goods offer in these centres over the plan period, should development opportunities arise.

8.46 We note that the Council's Site Allocations DPD has recently been adopted. We recommend that following the adoption of this document, the allocations for retail uses are reviewed to assess what levels of retail floorspace could be brought forward on these development sites to meet the identified retail needs identified in this study, with a focus on the consolidation and enhancement of existing town centres and central London frontages in the first instance.