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Draft New London Plan

**Representations on behalf of
Halfords Limited**

February 2018

NTR Planning Ltd
Henleaze Business Centre
13 Harbury Road
Bristol, BS9 4PN
T 0117 244 9393
F 0117 989 8233



Small Planning Consultancy of the Year 2014

Contents

- 1. Introduction 3**
- 2. National Planning Policy Framework Requirements 4**
- 3. Draft Policies SD8 and H1 6**
- 4. Large Format Retailing in London – Current Trends 10**
- 5. Why are Policies SD8 and H1 Unsound? 17**
- 6. Recommended changes to Policy SD8 and H1 23**
- 7. Conclusion 28**

Appendices

Appendix 1 - Halfords' Market Update Report (February 2018)

1. Introduction

- 1.1 These representations are submitted on behalf of Halfords Limited (“Halfords”), the UK’s leading retailer of automotive and cycling products, and a leading operator in car servicing and repairs. Halfords operate a number of stores across London, principally at established retail warehouse parks and solus stores.
- 1.2 A number of Halfords’ London tenanted stores are currently under immediate threat of closure, resultant from the desire of landlords to redevelop sites for alternative uses, principally for high-density residential use. Some examples of these are provided in Section 4.
- 1.3 The representations are made in respect of emerging **Policy SD8** and **Policy H1**, which seek to promote the redevelopment of out-of-centre retail and low-density retail parks for high-density housing. Halfords see these policies, as currently drafted, as potentially leading to the demise of the retail warehouse sector within the London. This has significant implications in terms of sustainability; the loss of jobs within the sector and the ability of car owners to keep their vehicles in a roadworthy condition. These concerns are set out in Section 5. The representations are made against a backdrop of major demand for a diminishing supply of large format retail floorspace (see **Appendix 1**).

2. National Planning Policy Framework Requirements

2.1 Paragraph 2 of the NPPF states:

'...The National Planning Policy Framework must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions...'

2.2 Paragraph 23 states that LPAs should:

'...set policies for the consideration of town centre uses which cannot be accommodated in or adjacent to town centres.'

2.3 Aligned to this is paragraph 006 of the Planning Practice Guidance:

'It may not be possible to accommodate all forecast needs in a town centre: there may be physical or other constraints which make it inappropriate to do so. In those circumstances, planning authorities should plan positively to identify the most appropriate alternative strategy for meeting the need for these main town centre uses, having regard to the sequential and impact tests.'

2.4 Large format bulky goods retailing is land-hungry so to enable retailers to have sufficient showroom space and storage for the display of bulky items. Due to the size of products there is a need for car parking to enable their transportation, something which customers are generally not able to do by use of public transport or on-foot/cycle. These factors, combined with the lack of availability of large enough in-centre locations, is why large format retailing is generally always located outside of existing town centres. They are particularly relevant to Halfords due to a need for its staff to be able to provide on-site diagnostics and fitting of certain products, 'We Fit' (wiper blades, blubs, car batteries, fuses, cycle carriers, roof boxes and children's car seats etc.).

2.5 Halfords has genuine locational requirements and remain one of the oldest retailers operating within the sector. Their retail warehouse stores are one of those specific forms of town centre uses which cannot be accommodated in, and often adjacent to, town centres (and for which there is a requirement for appropriate policies to be in place to enable them to provide and retain their stores). Halfords has a vital role to play in environmental terms through the retailing of products designed to keep

cars in a roadworthy condition¹ and for the sale of cycles and leisure goods to promote active lifestyles, leisure opportunities and a reduction in carbon emissions.

¹ It is for this reasons that Halfords are nationally exempted from Sunday trading hours restrictions.

3. Draft Policies SD8 and H1

3.1 The two policies are entitled:

- Policy SD8 – “Town Centres: Development Principles and Development Plan Documents”; and
- Policy H1 – “Increasing Housing Supply”.

3.2 They are set out below. Those parts of the policies which Halfords wish to make specific representations on are highlighted in bold text. In Section 5 we set out our reasons as to why the policies are unsound. We set out our suggested changes to the wording of the policies in Section 6.

Policy SD8

A. Development Plans and development proposals should take a town centres first approach by:

1. adopting a sequential approach to accommodating town centre uses including retail, commercial, offices, leisure, entertainment, culture, tourism and hotels such that new development of these uses is focused on sites within town centres or (if no sites are available, suitable or viable) on sites on the edges of centres that are, or can be, well integrated with the existing centre, local walking and cycle networks, and public transport
2. **firmly resisting out-of-centre development of town centre uses in line with the sequential approach in A(1) above**, with limited exceptions for existing viable office locations in outer London (see Policy E1 Offices)
3. providing an impact assessment on proposals for new, or extensions to existing, edge or out-of-centre development for town centre uses in part A(1) above that are not in accordance with the Development Plan
4. **realising the full potential of existing out of centre retail and leisure parks to deliver housing intensification through redevelopment** and ensure such locations become more sustainable in transport terms, by securing improvements to public transport, cycling and walking. This should not result in a net increase in retail or leisure floorspace in an out-of-centre location having regard to parts A(1), (2) and (3) above.

B. In Development Plans, boroughs should:

1. define the detailed boundary of town centres in policy maps including the overall extent of the town centre (taking into consideration associated high streets which have

particular economic or social value) along with specific policy-related designations such as primary shopping areas, primary and secondary frontages and night-time economy in light of demand/capacity assessments for town centre uses and housing

2. develop policies through strategic and local partnership approaches (Policy SD9 Town centres: Local partnerships and implementation) to meet the objectives for town centres set out in Policy SD6 Town centres to support the development, intensification and enhancement of each centre, having regard to the current and potential future role of the centre in the network (Policy SD7 Town centre network)
3. develop policies for the edge and fringes of town centres, revising the extent of shopping frontages where surplus to forecast demand and introducing greater flexibility, permitting a range of non-residential uses particularly in secondary frontages taking into account local circumstances
4. identify centres that have particular scope to accommodate new commercial development and higher density housing, having regard to the growth potential indicators for individual centres in Annex 1. Criteria to consider in assessing the potential for intensification in town centres include:
 - a. assessments of demand for retail, office and other commercial uses
 - b. assessments of capacity for additional housing
 - c. public transport accessibility and capacity
 - d. planned or potential transport improvements – to indicate future capacity for intensification
 - e. existing and potential level of density of development and activity
 - f. relationship with wider regeneration initiatives
 - g. vacant land and floorspace – as a further measure of demand and also of under-utilisation of the existing centre
 - h. potential to complement local character, existing heritage assets and improve the quality of the town centre environment
 - i. viability of development.
5. identify sites suitable for higher density mixed-use residential intensification capitalising on the availability of services within walking and cycling distance and current and future public transport provision including, for example:
 - a. **comprehensive redevelopment of low-density supermarket sites, surface car parks, and edge of centre retail/leisure parks**
 - b. redevelopment of town centre shopping frontages that are surplus to demand

- c. redevelopment of other low-density town centre buildings that are not of heritage value, particularly where there is under-used space on upper floors, whilst re-providing non-residential uses
- d. delivering residential above existing commercial, social infrastructure and transport infrastructure uses or re-providing these uses as part of a mixed-use development.
- e. support flexibility for temporary or 'meanwhile' uses of vacant properties.

C. Development proposals should:

1. ensure that commercial floorspace relates to the size and the role and function of a town centre and its catchment
2. ensure that commercial space is appropriately located having regard to Part A above, fit for purpose, with at least basic fit-out and not compromised in terms of layout, street frontage, floor to ceiling heights and servicing, and marketed at rental levels that are related to demand in the area or similar to surrounding existing properties
3. support efficient delivery and servicing in town centres including the provision of collection points for business deliveries in a way that minimises negative impacts on the environment, public realm, the safety of all road users, and the amenity of neighbouring residents
4. support the diversity of town centres by providing a range of commercial unit sizes, particularly on larger-scale developments.

Policy H1

A. Table 4.1 sets the ten-year targets for net housing completions which each local planning authority should plan for. Boroughs must include these targets in their Development Plan documents.

B. To ensure that ten-year housing targets are achieved:

1. boroughs should prepare delivery-focused Development Plans which:
 - a. allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification
 - b. encourage development on other appropriate windfall sites not identified in Development Plans through the Plan period, especially from the sources of supply listed in B2
 - c. enable the delivery of housing capacity identified in Opportunity Areas, working closely with the GLA.

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2. boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:
 - a. sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m of a Tube station, rail station or town centre boundary^[35]
 - b. mixed-use redevelopment of car parks and low-density retail parks**
 - c. housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses**
 - d. the redevelopment of surplus utilities and public sector owned sites
 - e. small housing sites (see Policy H2 Small sites)
 - f. industrial sites that have been identified through the processes set out in Policy E4 Land for industry, logistics and services to support London's economic function, Policy E5 Strategic Industrial Locations (SIL), Policy E6 Locally Significant Industrial Sites and Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function.
 - C. Boroughs should proactively use brownfield registers and permission in principle to increase planning certainty for those wishing to build new homes.
 - D. Boroughs should publish and annually update housing trajectories based on the targets in Table 4.1 which identify the sources of housing capacity (including windfall) expected to contribute towards achieving housing targets and should work with the Mayor to resolve any anticipated shortfalls.
 - E. Where new sustainable transport infrastructure is planned, boroughs should re-evaluate the appropriateness of land use designations and the potential to accommodate higher-density residential and mixed-use development, taking into account future public transport capacity and connectivity levels.
 - F. On sites that are allocated for residential and mixed-use development there is a general presumption against single use low-density retail and leisure parks. These developments should be designed to provide a mix of uses including housing on the same site in order to make the best use of land available for development.
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4. Large Format Retailing in London – Current Trends

4.1 Recent years have seen the significant erosion in the quantum of retail warehouse floorspace within London, much of which has been supported by the decisions of the Mayor. Whilst we are aware that this has enabled the delivery of a range of residential schemes it has been allowed to occur, almost in its entirety, without consideration of the implications of the loss of the pre-existing retail warehousing. Quite simply the Draft Plan does not *'...set policies for the consideration of town centre uses which cannot be accommodated in or adjacent to town centres'* as required by the NPPF. The plan is therefore unsound in this regard.

4.2 There are countless examples of retail warehouse parks and solus stores being sold by landowners to residential developers (for considerable sums) to be redeveloped for residential development. Halfords are not able to compete with the sums being offered by residential developers, housing associations and local councils in bidding for store freeholds. A consistent theme of such transactions is to enable the provision of high-rise residential development with some ground floor commercial uses (including within Class A1), however due to the footprint size of such residential towers there is insufficient floorspace for the re-provision of large format retailing. A further factor that precludes large format retailers from accessing such development is that it is almost exclusively provided without any car parking, which is essential to the sector to enable the transportation of bulky products. This particularly affects Halfords, whose business model incorporates on-site diagnostics and the fitting of vehicle parts on-site (their 'We Fit' service).

- 4.3 We are only aware of one case study where a bulky goods operator (Travis Perkins) own a freehold and redeveloped a store, this being at 11-13 St Pancras Way, NW1 OPT. Camden Council approved (planning application reference 2011/1586/P) an application² in September 2013 for the redevelopment of the existing builders' merchants. Travis Perkins and Unite Group were the joint applicants for the application, which was submitted in March 2011. Halfords understands, through discussions with other retailers, that the GLA are using this as a case study in promotional material as to what can be achieved. It should be noted that Travis Perkins were only able to a deliver a store suitable to them only because they owned the land. The market would not have delivered that scheme – They would have resisted the nature of a builders' merchants' operation because it would have reduced the value of the uses above.
- 4.4 Halfords are keen to point out that Travis Perkins' acquisition of the freehold of the site occurred prior to the market shift towards residential developers acquiring such sites at significantly inflated sums. In the current climate, retail warehouse operators are being consistently (and very significantly) outbid by residential developers, housing associations or local councils who then have the power to choose whether they are willing to re-accommodate pre-existing tenants. From Halfords' experiences this is generally something that residential developers/landlords are unwilling to do as they can achieve a higher return on alternative land uses or on smaller ground floor retail floorplates which is not suitable to the retail warehouse sector, even when accounting for flexibility in format and scale.

² "Erection of part 6, 7, 8 and 10 storey building comprising 3,657 sqm builders merchant (Class Sui Generis) at ground and part mezzanine level and 563 student bed spaces (Class Sui Generis) with ancillary student facilities to the upper floors."

4.5 The following therefore provides some case studies as evidence that retail warehouse floorspace is being lost across London. We consider this should form part of a new evidence base for the Draft Plan. There are likely to be other examples which ought to be taken into account.

- **Hurlingham Retail Park** (Currys and PC World – totalling 4,778 sq.m) next to Putney Bridge (SW6) for which permission was granted by the London Borough of Hammersmith and Fulham (in 2014) for 239 residential units. Here the replacement retail floorspace is being provided in six small units. Overall there is a significant loss in the quantum of A1 floorspace. Dixons Carphone’s Senior Asset Manager confirmed to us by email (26th February 2018) that they will not be re-accommodated in the development.
- **B&Q, Smugglers Way** (SW18). Planning permission was granted by the London Borough of Wandsworth in January 2018 for the demolition of the store (6,308 sq.m) and the development of 13 residential blocks. In its Case Report, the GLA commented that the existing retail floorspace is not offered any protection, therefore justifying its loss. There was no consideration as to the implications of the specific loss of large format retail floorspace. The A Class floorspace to be provided within the 13 blocks would be incapable of accommodating B&Q or other large format retailers.
- **Homebase, Swandon Way** (SW18). An application (recommended for approval to committee in January 2017) is with the London Borough of Wandsworth for the demolition of the existing store (6,309 sq.m) and redevelopment to provide 13 residential blocks. As with the B&Q on Smugglers Way a replacement large format store could not be accommodated within the redevelopment. As with Smugglers Way the GLA’s Case Report identify that the existing retail floorspace is not protected and give no consideration as to the implications of the loss of

the particular format of retail floorspace. Likewise, within the Council's committee report the loss of the retail floorspace was not identified as an issue.

- **Homebase and Argos, Western Avenue, Acton (W5).** This site has recently been sold to Barret for residential development of 350 residential units.
- **B&Q Chiswick Roundabout (W4).** This site has been sold and is subject to public consultation (an application is yet to be submitted) for high-rise residential development with limited small-scale town centre uses to be known as Hudson Square.
- **Cantium Retail Park, Old Kent Road.** This site accommodates Halfords, B&Q and Pets at Home and has been sold to Galliard Homes to develop 1,000 homes in 3 high-rise blocks. There has been a wider significant erosion to the stock of retail warehousing on Old Kent Road for residential development.

It should be noted that the landlord, Aviva Investors, has positively engaged with Halfords with a view to re-accommodating them into the scheme; however, even when accounting for significant flexibility in terms of replacement store size and operational requirements (parking, servicing etc) the replacement floorspace is unsuitable for Halfords. We understand that the other retailers affected are also incapable of being re-accommodated.

- **Pentavia Retail Park, Barnet.** A current application is before The London Borough of Barnet for the demolition of the retail park (9,053 sq.m of retail floorspace) and redevelopment to provide 717 residential units (in 18 blocks up to 14 storeys) plus small-scale ancillary town centre and community facility uses. The replacement A1 floorspace will not be capable of accommodating large format retail warehousing and is not designed to do so.

- **Homebase, Warwick Avenue, Kensington.** Planning permission was granted by The London Borough of Kensington and Chelsea in 2012 for the demolition of the store and provision of 243 residential units, C2 uses and 430 sq.m of small-scale ancillary town centre uses.
- **Halfords, Balham and Halfords, Wandsworth.** The landlords for these two stores have sold the sites for residential development for the provision of significant residential blocks. Halfords are unable to be re-accommodated into the redevelopment schemes.
- **Halfords, Mile End Road.** The store, along with Asda and Currys form Anchor Retail Park. All occupiers would like to extend their leases but Lothbury, the owners of the site, are presently working-up residential plans for the site.
- **Wickes and Halfords, Uxbridge.** These two retail warehouses at Harefield Road are currently under offer with contracts exchanged with a housebuilder for residential redevelopment. Both occupiers are aware that the landlord wants vacant possession in September 2019, when their leases come to an end. However, both Wickes and Halfords wanted to extend their leases for at least 15 years.
- **Halfords, Catford.** Despite having a lease in place until 2024 Halfords have been approached by a number of residential developers, including the existing landlord, enquiring as to whether Halfords would vacate the property earlier with an incentive to enable a residential redevelopment to go ahead.
- **Lewisham Retail Park.** A planning application is under consideration for the demolition of the retail park and its redevelopment to provide 536 residential units as well as some commercial units, including retail floorspace. Having

reviewed the submitted DAS, the commercial units proposed would not be of sufficient size to accommodate large format retailing.

- **Wickes, Hanwell (W7).** A planning application was recommended for approval by The London Borough of Ealing in January 2018 (subject to completion of a Section 106 agreement and referral to the Mayor) for the demolition of the store and a car dealership (Wickes floorspace being 3,227.4 sq.m) and redevelopment to provide three blocks containing 283 residential units and 428.3 sq.m of ground floor retail. The part of the site where Wickes are located is allocated as Town Centre. The Committee Report identifies that the Stage 1 Mayor referral offered support to the principle of the development due to the qualitative improvements to the retail floorspace. In justifying the significant loss of retailing, the report identifies that there will be an “improved” retail offer. There is no mention of the loss of the particular format of retail, which is incapable of being re-established in the development.

4.6 Quite clearly there is a continuing trend of housebuilders targeting retail warehouse premises for high-density high-rise residential accommodation. Halfords consider that this is something that the evidence base should have been alive to and addressed.

4.7 Whilst many of these emerging schemes incorporate some replacement retail floorspace this is aimed at serving those retailers who are not reliant on large format flooring, with associated parking and servicing arrangements. Halfords have actively engaged with their landlords where such schemes are emerging on sites where they are accommodated, but the floorspace offered is consistently insufficient and incompatible with their business model.

4.8 We are only aware of one retail park coming forward³, Brocklebank Retail Park in Charlton. However, this certainly does not compensate for the loss of retail warehousing across London. Apart from the Hanwell example, which is a solus store, we are not aware of any retail warehousing being protected in any London borough local plans (despite considerable market demand). This makes existing sites even more attractive to residential developers, but also highlights that boroughs are not being proactive in planning for this specific type of town centre use. These factors, combined with the wording of draft policies SD8 and H1 and the upsurge in the residential market targeting such land, does not bode well for the future of the retail warehouse sector within London.

³ Source: 'Reimagining London's Retail Parks', GL Hearn (May 2017)

5. Why are Policies SD8 and H1 Unsound?

5.1 Paragraph 182 of the NPPF states:

‘The Local Plan will be examined by an independent inspector whose role is to assess whether the plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it is sound. A local planning authority should submit a plan for examination which it considers is “sound” – namely that it is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.’

5.2 Halfords consider that policies SD8 and H1 are unsound in that they are inconsistent with three of the four tests:

1. That they have not been positively prepared;
2. That they are not justified and are not the most appropriate strategy; and
3. That they are inconsistent with national policy.

5.3 The following provides Halfords’ grounds in these regards —

1. The two policies have not been positively prepared

5.4 The two policies target retail warehousing for residential use. The policies are damning of such a retail format due to them being of a low-density, this is borne out in the negative approach adopted in the plan through the language used in Part

A, subsection 2 of Policy SD8 where the plan requires development plans to – ***‘...firmly resisting out of centre development of town centre uses in line with the sequential approach...’***

5.5 This approach is at odds with the National Planning Practice Guidance, which is positively framed, requiring applicants to demonstrate compliance with the sequential test, such that ***‘if there are no suitable sequentially preferable locations, the sequential test is passed.’*** There is no firm resistance at the national level but an acknowledgement that some retail formats cannot be located in-town and therefore, to be acceptable, there is a need to demonstrate compliance with the test, and, if passed, the development should be capable of proceeding (subject to other relevant tests, including the impact test (where relevant)).

5.6 Halfords are a first-wave retail warehouse operator, with a presence on retail parks up and down the country. They have not been approached by the GLA or the authors of the evidence base as part of the plan-making process and the policies, so drafted, have very serious implications for them to be able to ensure that their stores can continue to operate within London. This has very serious implications for the retailer’s customers and its employees. The plan has not been positively prepared in this regard.

5.7 The plan clearly sees housing development as being more important to retail warehousing. Halfords understand and acknowledge the need for additional housing within London but do not see why this should be to the complete detriment of a well-established and important format of retailing. The policies are far too biased in favour of the residential developers.

2. The Policies are not Justified and are not the most appropriate strategy

5.8 We have reviewed the Plan’s evidence base on the topic of “Economy” to seek to learn of the source of those parts of the two policies against which Halfords object.

This includes a review of the London Town Centre Health Check Analysis, GLA (January 2018) and its appendices. Within that documents there is no *relevant* reference to retail warehousing apart from in respect of Brent Cross (“a large out-of-centre retail park”⁴), which it identifies could be reclassified as a Metropolitan Centre.

- 5.9 There is no reference or recommendation that out-of-centre retail warehouses or retail warehouse parks should be “firmly resisted” or released to “deliver housing intensification through redevelopment”. The choice to do so does not therefore seem to be backed up by facts and, as will be demonstrated shortly, is not backed-up by national planning policy.
- 5.10 Halfords acknowledge that many of their stores and retail parks (in which their stores are accommodated) are in edge-of-centre and out-of-centre locations because of their trading format. Halfords acknowledge and have always worked with local planning authorities to deliver their stores or store extensions through the established tests of national planning policies (including the sequential and impact tests). It is the *carte blanche* freedom that the two policies give to residential development proposals and the implications this has for the supply of large format retail floorspace within London which Halfords objects to. The plan appears to have cherry-picked those national planning policies seeking increased residential growth and the high-density use of previously developed land over a requirement to plan positively for those town centre uses that cannot be accommodated in town centres. Reference to the latter is entirely non-existent. The changes to the policies which are provided in the following section seek to readdress the balance so that the policies are consistent with national planning policy.

⁴ Paragraph 15.3.5

3. The Policies are inconsistent with national policy

5.11 As highlighted in Section 2, the NPPF and NPPG requires authorities to plan positively to identify the most appropriate alternative strategy for meeting the need for those main town centre uses which cannot be accommodated in town centres, having regard to the sequential and impact tests. The policies are inconsistent with these requirements. We do not consider that there should be a departure from national policy, particularly given the recent trend identified in Section 4 and the implications of this. There is clear evidence that retail warehousing is diminishing at a rate within London. As the Draft Plan illustrates an opposition to the very notion of out-of-centre retail floorspace in the tone of Policy SD8, Halfords have serious concerns that further store closures will be inevitable. As highlighted, we set out some changes to the wording of the draft policies in the following section to address the imbalance.

5.12 Halfords have concerns that as well as the policies being inconsistent with national planning policy concerning town centre uses, there will be an adverse impact on the principles of sustainability. These are explored briefly below:

a) The Economic Role

By not planning for large format retail warehousing the Plan does not “ensure that sufficient land of the right type is available in the right place”. The plan also fails at “coordinating development requirements”, by clearly favouring one form of land use over another. The closure of retail warehouses also results in job losses.

b) The Social Role

Fewer stores mean that people do not have access to this particular type of local service. An example would be that whilst people may have greater housing choice through the policies as currently drafted, there will be limited facilities for occupiers to be able to subsequently furnish them if there are no

stores in any reasonable proximity to choose and pick carpets and furniture etc. They will need to travel greater distances by car to access a diminishing pool of retailers, for example in retail parks on the other side of London to where they live. As much of the housing is car-free it may actually be impossible to purchase such products as customers will simply have no means of transporting bulkier goods home. This places a reliance on mail order products (which are more likely to be returned as customers are unable to see or test them before ordering) and a reliance on deliveries by HGVs. This does not support the government's wish to move to a low carbon economy.

Halfords have given consideration to opportunities for click and collect facilities as a response to diminishing store numbers within London, however this form of "shopping" is less relevant to Halfords' product range as their customers are more reliant upon, and guided by, in-store expertise on their products, particularly if the customer has no particular knowledge of appropriate components and/or seeks to discuss options related to safety-related products (such as infant car seats). Halfords' staff are given significant expert training in these areas.

As highlighted in Section 2, Halfords' business model relates to customers being able to keep their cars in a roadworthy condition; purchase and have fitted car parts (including bulbs, wiper blades, batteries, infant car seats etc); purchase leisure goods (camping equipment, roof boxes etc); purchase cycles and the offering of facilities for the upkeep of cycles (to promote sustainable forms of transportation). These all provide a valuable social role. These product types inform their store sizes, configurations and requirements for car parking - the combination of which means that their stores have traditionally been located outside of town centre environments and which must be planned positively for. Halfords, and other retail warehouse operators with genuine locational and

format needs, are not the enemy of the high street but provide a form of retailing that is complimentary to that capable of provision within town centres.

At paragraph 2.8.1 of the Draft Plan it is stated that "Out-of-centre development can be particularly detrimental to town centres..." This may be true of those traditional high street retailers (such as fashion retailers) who have sought to occupy large format retail floorspace without regard to the rationale of such floorspace being provided in the first place (see paragraph 2.4, above), as they are more likely to be in direct competition with the high street. Halfords do provide some small in-town stores (the Halfords Metro format), but these operate alongside their retail warehouses and provide a different product mix; and notwithstanding this Halfords have closed a number of these store this year (leaving only a handful remaining) because the format is not satisfactorily in-line with their strategic business model as they are only capable of providing a limited range and are unable to offer any 'We Fit' provision.

c) The Environmental Role

As set out in the example above, fewer stores means that Halfords' customers must travel further to access their products. As bulky goods retailing is reliant on car-borne journeys the erosion of facilities will require longer distance trips. This will have an adverse impact on the government's aim to move towards a low carbon economy.

6. Recommended changes to Policy SD8 and H1

- 6.1 As stated, Halfords support the need for increased residential units and the efficient use of land. Halfords have also been in a position (Cantium Retail Park, Old Kent Road) where the landlord has sought to re-accommodate them into their redevelopment plans, however the format offered (a considerably smaller quantum of floorspace, little or no parking, no provision for on-site vehicle diagnostics and fitting) meant that their retail format is incapable of being provided. In the example of Cantium Retail Park, Halfords' Property Team considered what was offered with a significant degree of flexibility, however their retail model simply could not be considered compatible.
- 6.2 The following sets out the changes Halfords would wish to see to the two policies to address the clear bias in favour of the residential developers and so that the boroughs "plan positively" for the retail format. The suggested deletions are crossed-through and the additions are provided in bold text.

Policy SD8

- A. Development Plans and development proposals should take a town centres first approach by:
1. adopting a sequential approach to accommodating town centre uses including retail, commercial, offices, leisure, entertainment, culture, tourism and hotels such that new development of these uses is focused on sites within town centres or (if no sites are available, suitable or viable) on sites on the edges of centres that are, or can be, well integrated with the existing centre, local walking and cycle networks, and public transport
 - ~~2. firmly resisting out of centre development of town centre uses in line with the sequential approach in A(1) above, with limited exceptions for existing viable office locations in outer London (see Policy E1 Offices)~~
 3. providing an impact assessment on proposals for new, or extensions to existing, edge or out-of-centre development for town centre uses in part A(1) above that are not in accordance with the Development Plan. Local planning authorities should require should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if no locally set threshold, the default threshold is 2,500 sq.m)
 4. realising the full potential of existing out of centre retail and leisure parks to deliver housing intensification through redevelopment (subject to the following tests) and ensure such locations become more sustainable in transport terms, by securing

improvements to public transport, cycling and walking. This should not result in a net increase in retail or leisure floorspace in an out-of-centre location having regard to parts A(1), (2) and (3) above. **Where applicants propose the redevelopment of out of centre retail and leisure parks, or where boroughs propose to define such sites for alternative uses, they must:**

a) Provide evidence of consultation with existing retail and leisure occupiers demonstrating that they have taken into account:

- i. The desire of existing occupiers to continue to trade/operate from the site; and**
- ii. That if there is a desire for any existing occupier to continue to trade/operate from the site that they can demonstrate that they have made every effort to re-accommodate them having consideration to the replacement floorspace being fit for purpose and in-line with their existing retail/leisure model. Operators must provide evidence of their retail/leisure model and demonstrate flexibility in format and scale. There will be an expectation that existing operators, who have a desire to continue to trade/operate, can be re-accommodated within redevelopment schemes.**

b) Planning applications will be refused where the above criteria are not met and proposals, by boroughs, to define such sites for alternative use will be expected to safeguard existing occupiers. In these circumstances less weight will be afforded to those operators who cannot demonstrate that they have genuine locational, operational and floorspace requirements for the particular location/format.

In cases where there is no agreement reached between the parties then it will be expected that they appoint a suitably qualified person to undertake an independent review of the evidence submitted and which will be a material consideration in the plan-making and/or decision-making process.

B. In Development Plans, boroughs should:

1. define the detailed boundary of town centres in policy maps including the overall extent of the town centre (taking into consideration associated high streets which have particular economic or social value) along with specific policy-related designations such as primary shopping areas, primary and secondary frontages and night-time economy in light of demand/capacity assessments for town centre uses and housing
2. develop policies through strategic and local partnership approaches (Policy SD9 Town centres: Local partnerships and implementation) to meet the objectives for town centres set out in Policy SD6 Town centres to support the development, intensification and enhancement of each centre, having regard to the current and potential future role of the centre in the network (Policy SD7 Town centre network)
3. develop policies for the edge and fringes of town centres, revising the extent of shopping frontages where surplus to forecast demand and introducing greater flexibility,

permitting a range of non-residential uses particularly in secondary frontages taking into account local circumstances

- 4. set policies for the consideration of town centre uses which cannot be accommodated in or adjacent to town centres.**
5. identify centres that have particular scope to accommodate new commercial development and higher density housing, having regard to the growth potential indicators for individual centres in Annex 1. Criteria to consider in assessing the potential for intensification in town centres include:
 - a. assessments of demand for retail, office and other commercial uses
 - b. assessments of capacity for additional housing
 - c. public transport accessibility and capacity
 - d. planned or potential transport improvements – to indicate future capacity for intensification
 - e. existing and potential level of density of development and activity
 - f. relationship with wider regeneration initiatives
 - g. vacant land and floorspace – as a further measure of demand and also of under-utilisation of the existing centre
 - h. potential to complement local character, existing heritage assets and improve the quality of the town centre environment
 - i. viability of development.
6. identify sites suitable for higher density mixed-use residential intensification capitalising on the availability of services within walking and cycling distance and current and future public transport provision including, for example:
 - ~~a. comprehensive redevelopment of low-density supermarket sites, surface car parks, and edge of centre retail/leisure parks~~
 - b. redevelopment of town centre shopping frontages that are surplus to demand
 - c. redevelopment of other low-density town centre buildings that are not of heritage value, particularly where there is under-used space on upper floors, whilst re-providing non-residential uses in accordance with the tests in part A(4) above.
 - d. delivering residential above existing commercial, social infrastructure and transport infrastructure uses or re-providing these uses as part of a mixed-use development.
 - e. support flexibility for temporary or 'meanwhile' uses of vacant properties.

C. Development proposals should:

1. ensure that commercial floorspace relates to the size and the role and function of a town centre and its catchment
2. ensure that commercial space is appropriately located having regard to Part A above, fit for purpose, with at least basic fit-out and not compromised in terms of layout, street frontage, floor to ceiling heights and servicing, and marketed at rental levels that are related to demand in the area or similar to surrounding existing properties
3. support efficient delivery and servicing in town centres including the provision of collection points for business deliveries in a way that minimises negative impacts on the environment, public realm, the safety of all road users, and the amenity of neighbouring residents
4. support the diversity of town centres by providing a range of commercial unit sizes, particularly on larger-scale developments.

Policy H1

A. Table 4.1 sets the ten-year targets for net housing completions which each local planning authority should plan for. Boroughs must include these targets in their Development Plan documents.

B. To ensure that ten-year housing targets are achieved:

1. boroughs should prepare delivery-focused Development Plans which:

- a. allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification
- b. encourage development on other appropriate windfall sites not identified in Development Plans through the Plan period, especially from the sources of supply listed in B2
- c. enable the delivery of housing capacity identified in Opportunity Areas, working closely with the GLA.

2. boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:

- a. sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m of a Tube station, rail station or town centre boundary^[35]
- b. mixed-use redevelopment of car parks and low-density retail parks, **in accordance with the tests in part A(4) of Policy SD8**

- c. housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses
- d. the redevelopment of surplus utilities and public sector owned sites
- e. small housing sites (see Policy H2 Small sites)
- f. industrial sites that have been identified through the processes set out in Policy E4 Land for industry, logistics and services to support London's economic function, Policy E5 Strategic Industrial Locations (SIL), Policy E6 Locally Significant Industrial Sites and Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function.

- C. Boroughs should proactively use brownfield registers and permission in principle to increase planning certainty for those wishing to build new homes.
- D. Boroughs should publish and annually update housing trajectories based on the targets in Table 4.1 which identify the sources of housing capacity (including windfall) expected to contribute towards achieving housing targets and should work with the Mayor to resolve any anticipated shortfalls.
- E. Where new sustainable transport infrastructure is planned, boroughs should re-evaluate the appropriateness of land use designations and the potential to accommodate higher-density residential and mixed-use development, taking into account future public transport capacity and connectivity levels.
- F. On sites that are allocated for residential and mixed-use development there is a general presumption against single use low-density ~~retail and leisure parks~~ **forms of development**. These developments should be designed to provide a mix of uses including housing on the same site in order to make the best use of land available for development.

7. Conclusion

- 7.1 Halfords are supportive of the need to increase housing supply within London, but not so to the complete detriment of large format retail warehouse operators. The emerging Plan does not accommodate such specialist forms of retailing and the two policies do not appear to be backed by evidence.
- 7.2 There has been a recent serious erosion in the provision of large format retailing within London. The emerging policies, if not amended to acknowledge and support such specialist forms of retailing, will have serious implications for the future of this form of retailing. The approach conflicts with national planning policy which requires plan-makers to plan positively for such town centre uses. They are also in conflict with the three dimensions to sustainable development, including that relating to the ability to access certain forms of land use. The two policies are very much biased towards one land use over another specific form of land use – something that Halfords strongly considers should be rectified.
- 7.3 Halfords are very much alive to the fact that they must be flexible and adapt their retail model to changes within the property market. This is something that they are actively pursuing as a retailer, however the tone of the two policies is stacked against them.
- 7.4 The changes proposed to policies SD8 and H1 will continue to promote the redevelopment of sites, including that incorporating high-density residential development, but not in a manner which effectively promotes the demise of the retail warehouse sector within London. Large format retailing, which is an established retail model with distinct locational and operational requirements, cannot simply be sacrificed for high-density housing in the manner proposed. There is no justification for this and the intention is at odds with national policy and the clear desire for Halfords, and other large format retailers, to continue to serve their customers within London.
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Appendix 1

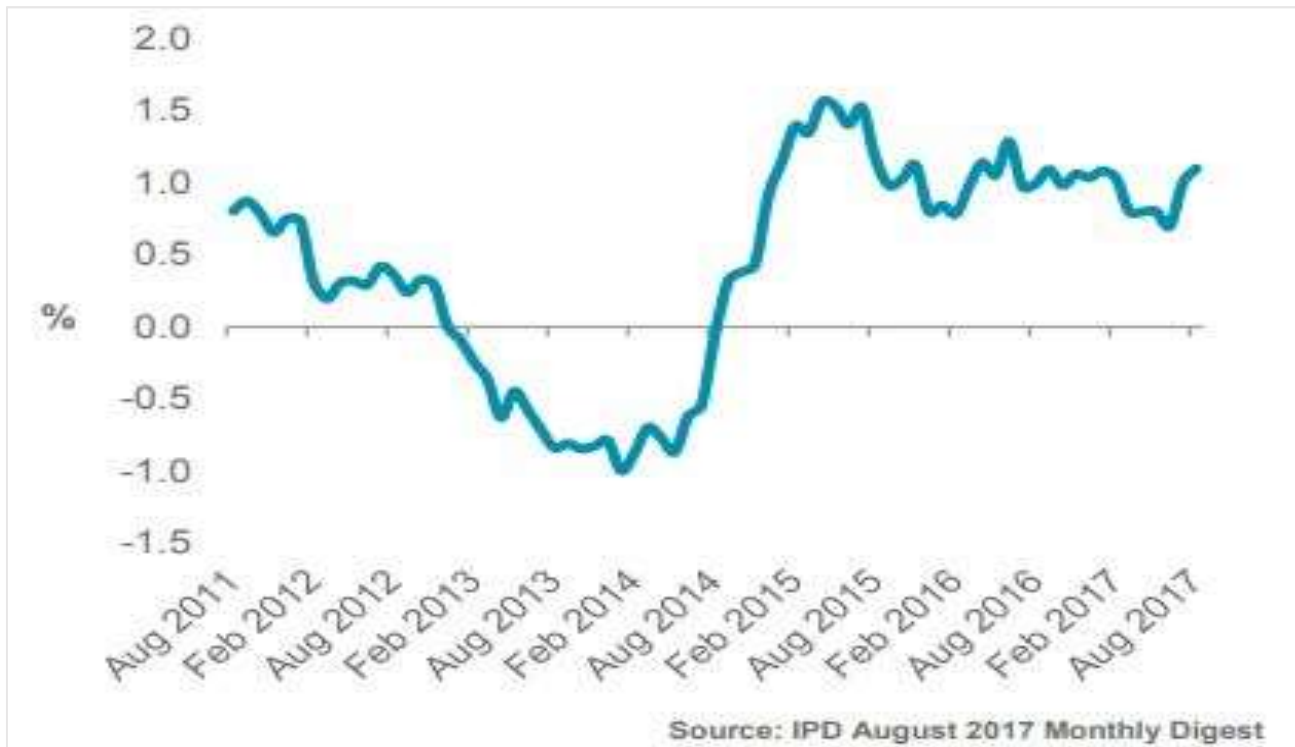
Halfords' Market Update Report (February 2018)

Out of Town Retail Market update

halfords

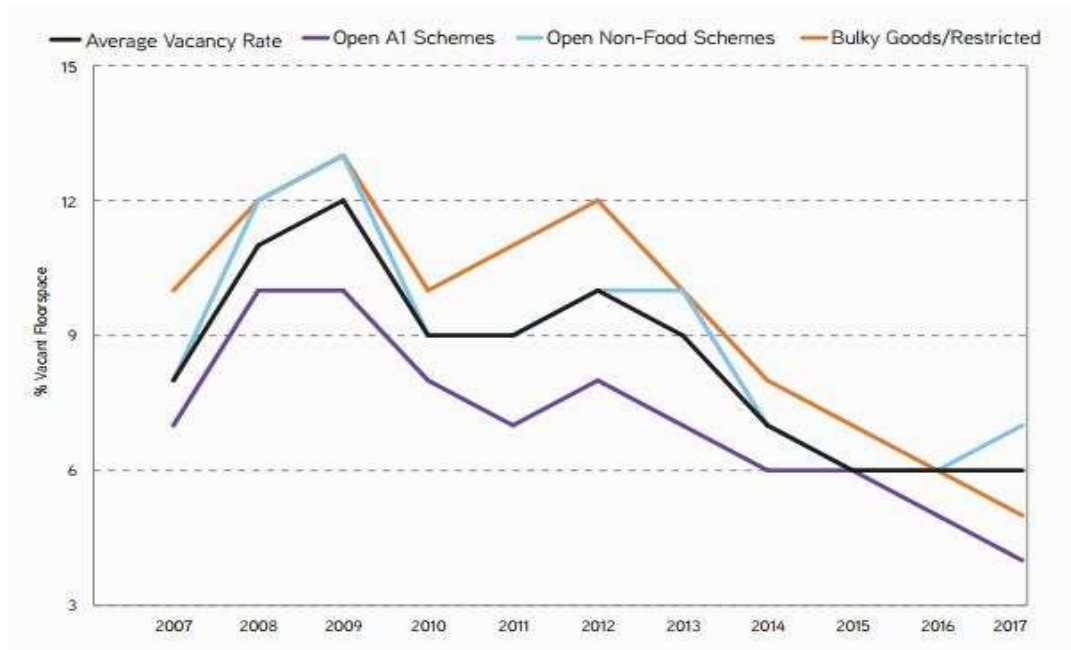
Retail Warehouse Rents

- Rental growth has fluctuated between + 1.5% and -1% since 2011.
- Forecasts indicate average rental growth between 0.8% and 1% over the next 3 years, based on limited new supply and continuation of low vacancy rates across the sector.



Vacancy Rates

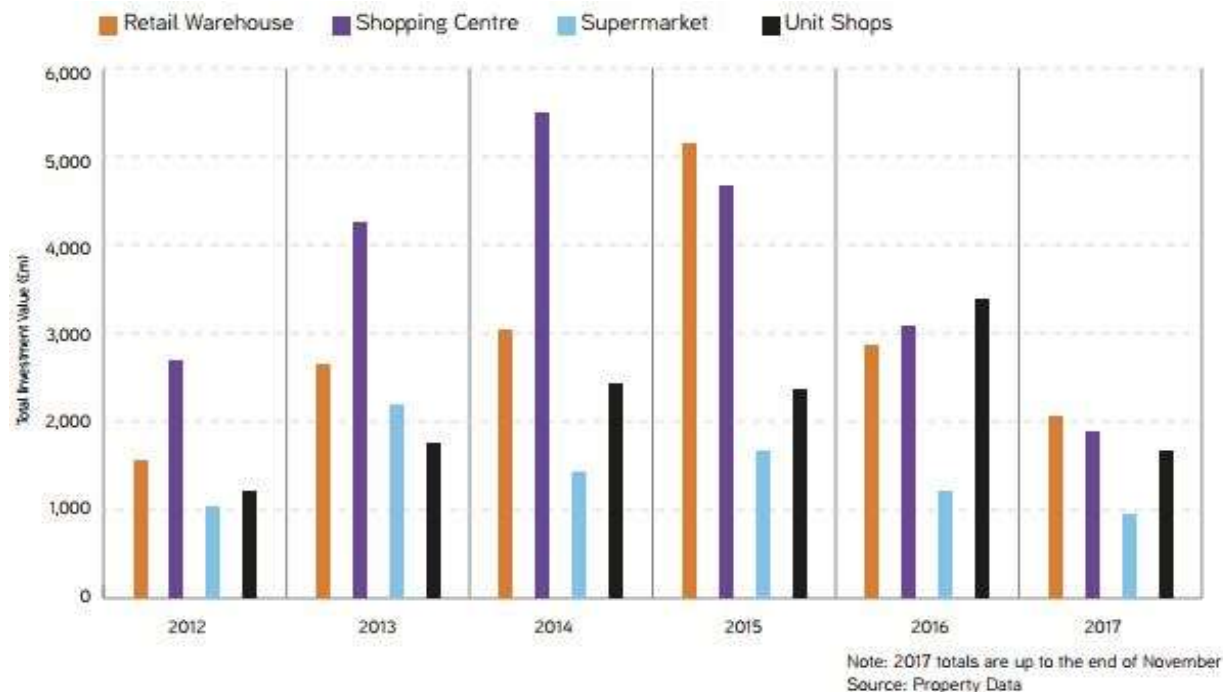
- Retail Parks have the lowest vacancy rates of major retail assets in the UK, standing at an average of 5.9% (Dec 2017). There has been a strong downward trend over the last 10 years, despite several retailers downsizing their portfolios.
- There are regional variations; the lowest being the South East and West Midlands at 4.1%. Northern Ireland has the highest at 8.1% followed by Scotland and Wales both at 7.1%.



- Demand for prime units remains strong, rental growth expected in good secondary schemes due to asset management opportunities. Discount retailers have absorbed other excess space that has re-entered the market.

Occupier Demand & Investment Activity

- Furniture retailers are still acquisitive; Tapi and Fabbs Sofas are continuing their expansion in addition to Wren Kitchens (with their smaller 10K format) and Oak Furniture Land. B&M and Home Bargains continue to grow their portfolios by 20+ stores per year. Wilko and Food Warehouse (Iceland) are also continuing to expand out of town.
- The number of investment activities is returning to pre-peak levels, with investments values in 2017 in excess of £2.2bn. Council buying reached its highest level in terms of total transaction volumes – Malvern (Surrey County Council) at £74m and Bournemouth (Hampshire Council) at £47.6m.



Development

- There has been an increase in number of planning applications submitted for new out of town retail schemes since 2013. However, despite the large number of applications only 1 in 5 get built.
- Recent schemes that have successfully opened include:
- Epping Forest Shopping Park, Loughton : 95,000 sq ft, including Hobby Craft, Smyths Toys, TK Maxx, Next and Aldi
- Rushden Lakes, Northamptonshire: 230,000 sq ft of retail developed by the Crown Estate which also includes dining and leisure activities.
- Liverpool Shopping Park : The park has 727,000 sq ft of retail space anchored by TK Maxx and M&S.
- In addition to the above there is an £135m extension of Fosse Shopping Park in Leicester.

