Retail & Town Centre Needs Study – 2024 Update

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Report

Contents

Appendices

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Hounslow Retail & Town Centre Needs Study Update, 2024

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1.0 Introduction

1.1 Alder King Planning Consultants has been commissioned by the London Borough of Hounslow ('The Council') to produce a partial update to the 2018 Hounslow Retail and Town Centre Needs Study – Update (the 2018 Study). The key purpose of this study update is to act as part of the evidence base to assist in the formulation of emerging development plan policy.

1.2 The objectives of the Study Update are to:

1. provide an update on the economic trends since the 2018 Study;
2. provide an up to date assessment of the future retail capacity/quantitative needs including an update of all statistical tables at Appendices E-G and an updated section setting out updated capacity figures comparing to the 2018 findings; and
3. undertake an initial review of the town centre policies (Policies TC1-TC5) in the Hounslow Local Plan 2015

1.3 The Study Update should be read alongside the 2018 Study.

Structure of the Study Update

1.4 This Study Update is structured as follows:

- Section 2 – provides an update on the economic trends since the 2018 Study;
- Section 3 - provides our updated quantitative assessment of the need for further convenience and comparison goods retail floorspace over the assessment period;
- Section 4 – reviews Policies TC1-TC5 of the Hounslow Local Plan, 2015

1.5 Plans and statistical tables are provided within appendices to this report.

2.0 Update on Economic Retail & Leisure Trends

Introduction

2.1 This section provides an updated overview of prevailing retail and leisure trends. This overview draws on recognised retail data sources, including research by Experian, Local Data Company, Global Data and Mintel.

Economic Context

2.2 Experian report that over the last year the UK economy has seen little in the way of economic growth, with pressures from high inflation and elevated interest rates meaning that spending and investment by consumers and businesses has shown little upwards movement. Though growth in 2023 was positive compared to 2022, the UK economy fell into a mild technical recession in the second half of 2023 after two consecutive quarters of contraction (-0.1% in 2023Q3 and -0.3% in 2023Q4). On an average basis (considering the income, expenditure, and output measures) UK GDP in 2023 is now estimated to have increased by only 0.1% compared with 2022. While data shows that the UK economy has entered a mild technical recession, it should be noted that it is subject to revision. Furthermore, Experian forecasts suggest that the economy will slightly fare better in 2024, with a 0.2% expansion forecast for the year, and mild growth expected in every quarter. Though, with 2024 being an election year in the UK, there is uncertainty in the forecast.

2.3 Despite inflation remaining high, it has eased considerably over the past 12 months. Looking ahead, given easing energy prices, weakening pay growth, fragile consumer demand and a stagnant economy, inflation is expected to trend down to the Bank of England's 2% target by the middle of the year. Whilst Experian's expectations is that interest rates will fall in 2024 and 2025, they are unlikely to return to the levels seen between 2009 and 2021 any time soon. There are concerns that tightness in the labour market could cause inflation to be more persistent.

2.4 In terms of the medium term outlook, it is expected that the recovery will be shaped by the after-shocks of the pandemic and subsequent cost of living crises, the potential scarring to the UK's longer term economic potential and the supply chain disruption due to geopolitical tensions including recent disruption in the Red Sea.

2.5 Experian advise that fiscal policy will likely be a constraint on growth as corrective measures such as spending cuts or tax rises may be required, though policy measures will be affected by the outcome of the upcoming General Election in the UK. Central Bank policy is forecast to be loosened slightly in 2024, with the Bank of England expected to cut rates for the first time around the middle of the year.

2.6 Experian report that there are a number of elements that will be key to the pace of recovery:

- How long behavioural changes as a result of the pandemic remain in place for (key being the move to a hybrid and more flexible working model) as some employers encourage more workers to the office.
- How much inflation slows despite the continued tightness of the labour market in the UK. If wage growth proves more persistent than previously thought, then the Bank of England may start cutting rates later than expected.
- Confidence impacts: household and firm behaviour could hold back the recovery if expectations of inflation becomes de-anchored and supply-chain constraints bind further.
- House prices have been remarkably resilient to the cost-of-living crisis and high interest rates, though many households remain on a lower rate fixed-term mortgage which will end in the coming years. Therefore, as mortgage holders slowly move to higher rates, there could be an impact on house prices.
- Global backdrop and continued conflict in Ukraine: downside risks could well impact trade & supply chains through to the medium term.

Continued Rise in Internet Shopping

2.7 Experian in their latest Retail Planner Briefing Note identify that the non-store market share of total retail sales volumes has been increasing year on year. This trend accelerated in 2020 and 2021 as lockdowns and Covid 19 related fears made in person shopping off limits or unpreferable. The market share peaked at an average of 30.7% in 2021 up from 20.1% two years earlier. As restrictions eased this dropped back to 29.6% in 2022.

2.8 Experian expect a further small decline in market share will have occurred in 2023. Certain online users out of necessity (particularly older, less digitally literate cohorts) are likely to have reverted to traditional retail spending habits however, most of the increase in the internet sales share seen during the pandemic remains.

2.9 Thereafter, the market share is expected to resume an upward trend, exceeds 30% again later in 2024. The pace of e commerce growth is anticipated to moderate over the longer term, but the market share hits 38.2% of total retail sales by 2040.

2.10 Experian highlight that whilst the challenge to traditional store-based shopping from internet-based shopping will continue to grow, a number of factors temper the impact. These factors include:

- Many stores sell online but source sales from regular stores rather than warehouses, implying an increase in required store floorspace to cater for rising internet sales;
- Even if non-store retailing outpaces store-based shopping, store-based shopping is still expected to continue to expand at an annual average of 1% per annum in per capita terms to 2040;
- Click-and-collect is an increasingly popular choice with consumers which requires a bricks and-mortar presence; and
- A significant development is multi-channelling, where internet shopping actually drives demand for traditional outlets. In-store product and services offer (including collection/drop-off points for online orders (click and collect)) forms part of a co-ordinated multi-channel strategy and will continue to support demand for retail space.

Increased Vacancy Levels and Store Closures

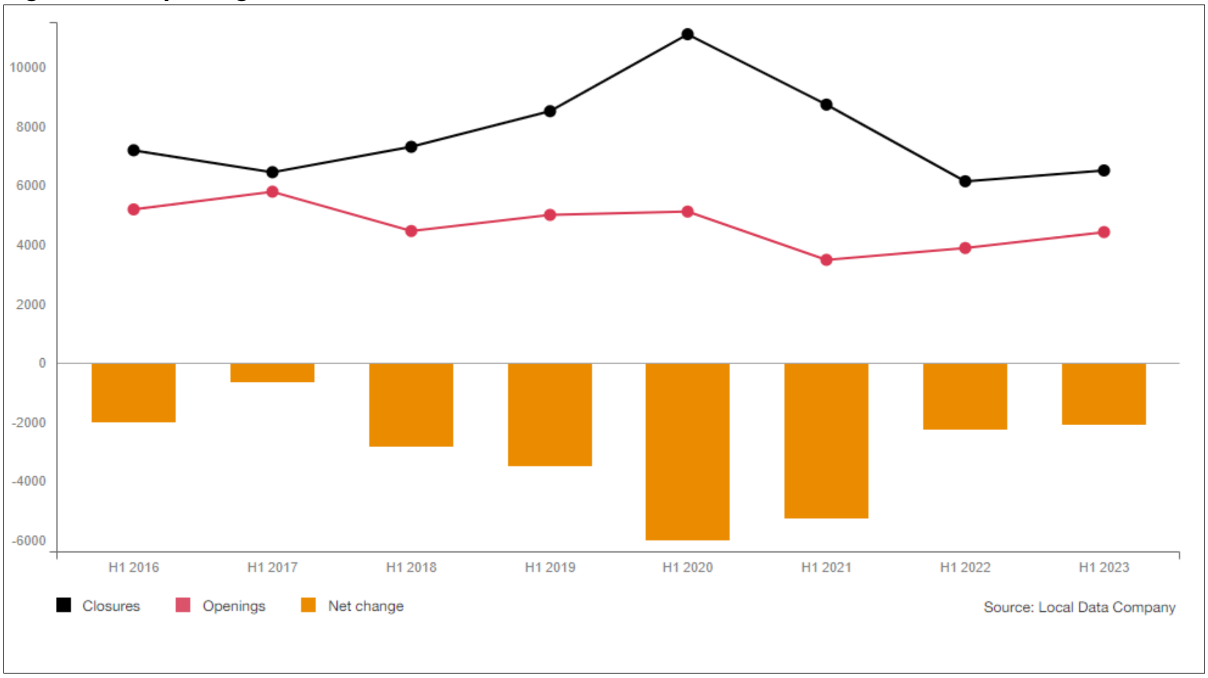
2.11 The last 5 years have been particularly challenging for retail and leisure operators. The industry continues to be under pressure with many occupiers finding themselves in an uncomfortable position as margins are squeezed between weakening demand and rising costs. The latest data from a report by PWC and Local Data Company (LDC) however reported that net closures are slowing and are now at their lowest rate since 2017 and openings are on an increasing trend.

2.12 In the first six months of 2023, a total of 6,512 national multiple/chain shops exited UK high streets, shopping centres and retail parks. Equivalent to 36 closures per day, it's a slight increase compared with H1 2022 but significantly lower than 2021 and 2020.

2.13 LDC identify that this is offset by an increase in openings for the third year in a row. Up from 21 to 24 per day. However, they remain below pre-pandemic levels, with chains still cautious around store openings - particularly those in retail and services.

2.14 The trend is a continuation of the one that started in 2022: the end of long-term accelerating closures since well before the start of the pandemic. Originally driven due to a shift online, it was accelerated by other external factors, including the administrations of a number of national multiples/chains, and the impact of COVID-19 on footfall.

Figure 2.1: Opening and Closures – H1 2016 – H1 2023



2.15 In addition to those retailers set out in the 2018 Study, a number of additional retailers have either restructured (some involving CVA's) or have gone into administration. These have included:

- Bensons for Beds was put into a pre-pack administration and bought by its existing owner (June 2020):
- TM Lewin announced that it would close all 66 of its UK shops after being bought out by a private equity company (July 2020);
- DW Sports entering into administration and subsequently bought by the Frasers Group. 19 retail outlets and 29 leisure clubs were closed (August 2020);
- M&Co going into administration but bought by its previous owners as part of a pre-pack deal. The new owners have closed 47 of its 218 stores (August 2020);
- Arcadia Group, (which owned Topshop, Dorothy Perkins, Burton and Miss Selfridge) falling into administration in November 2020. Though some brands have been bought by internet retailers, notably Topshop and Miss Selfridge by Asos, and Dorothy Perkins by boohoo, these acquisitions did not include physical stores and that the majority of the former group's 444 stores have closed;
- Debenhams going into administration (April 2020) with the last remaining bidder, JD Sports, withdrawing in November resulting in the closure of all 124 stores (November 2020);
- Bon Marche entering into administration for the second time in a year with the potential for its 225 stores to close (December 2020);

- Paperchase went through a pre-pack administration process with the closure of 37 of its 127 stores (January 2021);

- John Lewis & Partners announced it closing a further 8 of its 42 stores, following the closure of 8 announced in 2020 (February 2021);

- Tui announced a further 48 high street stores are to close (March 2021) following an earlier announcement that 166 shops would close in July 2020;

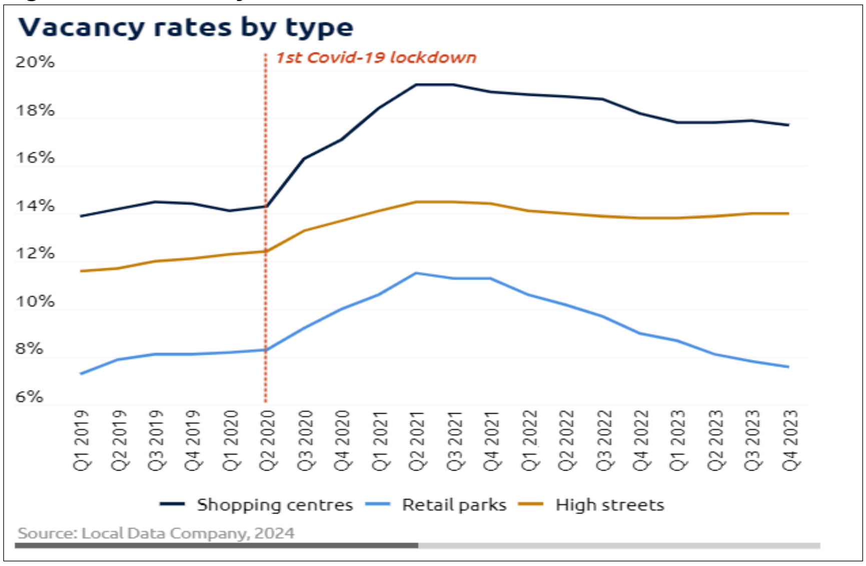
- Peacocks and Jaeger (part of Edinburgh Woollen Mill) falling into administration in November 2020. The Jaeger brand has subsequently been bought by Marks & Spencer. Peacocks was bought by an international consortium led by its former chief operating officer, Steve Simpson; and

- M&S's announcement that it is planning on moving away from town centres and investing in a number of stores being relocated to edge of towns. M&S said it was planning around 15 new full-line stores and 40 new food stores by the end of 2025. It also confirmed that it was to close a total of 100 stores (May 2022).

- Body Shop announcement that it is set to closer nearly half of its 198 shops after falling into administration (February 2024).

2.16 In terms of location, over the past five years retail parks and shopping centres have shown an overall decline in vacancy rates, while high streets have experienced an increase. From a vacancy high of 19.4% in Q2 2021, shopping centres dropped to 17.7% by Q4 2023. From its own high of 11.5% in Q2 2021, retail parks had the biggest drop in vacancies, to 7.6%. In the same period, vacancy levels across high street retail have persisted, moving from 14.5% to 14.0%. LDC identify that whilst work has continued to reposition high streets across the country, this indicates that improvement in some areas has been balanced by out by consistent struggles in others.

Figure 2.2: Vacancy Rates 2019-2023



Source: Local Data Company

The Continued Rise of the Grocery Discounters

2.17 As noted in the 2018 Study, consumers have changed their shopping habits over the last 5 or so years, turning away from food superstores to discount grocers (principally Aldi and Lidl), who are benefitting from increases in their market share.

2.18 The discount grocers continue to have ambitious store opening targets in the coming years whilst the 'Big Four Grocers' look to continue to develop their smaller 'top-up shopping' store formats and reconfigure/refurbish their existing stores to include concessions.

The Leisure Sector

2.19 Over the last 5-10 years, town centres had increasingly relied upon an expanding food and drink sector to bring some vacant units back into active use. However, over the last 3 years there is evidence that the food and drink market is becoming saturated with numerous operators restructuring, closing outlets, or going into administration.

2.20 As noted in the 2018 Study, there are a number of leisure concepts that have recently emerged which are also helping to anchor retail environments, including virtual reality zones, bowling alleys, trampolining and crazy golf. These concepts are rapidly growing and are assisting centres in providing a point of difference with the competition, ensure that visitors' dwell times are increased, and assist a town's evening economy.

Potential Impact of Trends on Centres within Hounslow Borough

2.21 The 2018 Study identified that the Borough's town centres face a number of challenges. The centres continue to face these challenges, particularly from increasing competition from the internet, business rates, multichannel retailing, polarisation of retailing, and out-of-centre retail/leisure developments. These challenges will impact on the performance, vitality and viability and the future strategy of the centres.

2.22 The Council undertook vitality and viability health check assessments of the town centres in the Borough in 2022. The health checks found the centres in the borough were continuing to function well (with low vacancy rates and high footfall) and that Hounslow had a large number of small independent retailers and a very strong food and drink offer.

2.23 It remains important that the town centres in the borough are able to respond to continued changes in the retail and leisure sector and that they provide (or continue to provide) an offer/destination which provide a diversity of uses and distinguishes them from competing centres and out-of-centre retail and leisure destinations.

3.0 Updated Quantitative Retail Capacity Assessment

Introduction

3.1 This section of the Study Update provides an updated quantitative assessment of the convenience and comparison goods floorspace capacity across the Borough. The assessment takes into account:

- the latest retail expenditure growth and internet shopping (Special Forms of Trading) projections published by retail data provider Experian (Retail Planner Briefing Note 20),
- updated sales density data published by GlobalData.com; and
- any new or expired retail planning permissions/commitments since the 2018 Study was produced.

3.2 This assessment updates the base year to reflect the current year (2024), and capacity at the following years: 2029, 2034, 2037 and 2043. The assessment assesses retail capacity at 2034, which represents 10 years from the base year and the minimum timeframe identified by the NPPF when allocating sites; and 2043, which represents the end of the Local Plan period. Capacity is provided at 2029 to allow a comparison with the 2018 Study.

3.3 The detailed methodology for the quantitative needs assessment in this report can be found in Section 7 of the 2018 Study. It is important to note that the expenditure and floorspace capacity figures identified for each year in the following tables are not cumulative figures. They represent the capacity between the base year (2024) and the year identified and should not be added together. Updated quantitative retail capacity statistical tables are contained at **Appendices A - C** of this report.

Updated Convenience Goods Quantitative Retail Need Assessment

3.4 Figure 5.1 below sets out the overall convenience goods floorspace for the centres within the Borough from 2024 to 2043. It also compares the updated floorspace capacity need with that identified for the 2018 study for the year 2029.

3.5 Since the 2018 Study, we have been made aware of the following planning permission that needs to be taken into account in this capacity update:

- **P/2016/3939 – Former Hounslow House, London Road, Hounslow** – Redevelopment to provide 293 residential units and 926sq m gross flexible commercial floorspace. The scheme has been built with part of the commercial floorspace occupied by an Amazon Fresh convenience store.

3.6 It is of note that the foodstore element of the Brentford Waterside planning permission (ref: P/2012/2735), which was previously taken into account in the 2018 Study as a commitment, has now been built and is occupied by Morrisons. Morrisons has relocated from the High Street in Brentford and closed this store.

We understand from discussions with planning officers that it is likely that the existing store site will be redeveloped for non-retail uses. Accordingly, given the commitment involves a relocation of an existing store which the household survey already takes into account, and the turnover is likely to broadly remain the same, it is not necessary or appropriate to take this into account as an additional store commitment in this capacity assessment.

Figure 3.1: Summary of Convenience Goods Floorspace Need (sq. m net)

Year	2018 Study		2022 Update
Hounslow			
Before Commitments			
2024	Not tested		1,000 – 1,300
2029	1,700 - 2,000		800 – 1,200
2034	Not tested		900 – 1,200
2037	Not tested		900 – 1,300
2043	Not tested		1,100 – 1,400
After Commitments			
2024	Not tested		800 – 1,100
2029	1,700-2,000		700 - 1,000
2034	Not tested		700 – 1,000
2037	Not tested		800 – 1,100
2043	Not tested		900 – 1,200
Chiswick			
Before/After Commitments			
2024	Not tested		1,100 – 1,400
2029	600 - 800		900 – 1,300
2034	Not tested		1,000 – 1,300
2037	Not tested		1,000 – 1,400
2043	Not tested		1,200 – 1,600
Brentford			
Before Commitments			
2024	Not tested		900 – 1,200
2029	1,200 – 1,500		800 – 1,100
2034	Not tested		800 – 1,100
2037	Not tested		900 – 1,200
2043	Not tested		1,000 – 1,400
After Commitments			
2024	Not tested		900 – 1,200
2029	0		800 – 1,100
2034	Not tested		800 – 1,100
2037	Not tested		900 – 1,200
2043	Not tested		1,000 – 1,400
Feltham			
Before/After Commitments			
2024	Not tested		0
2029	0		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0

Source: Tables 5-8, Appendix A
Tables 5-8, Appendix F, London Borough of Hounslow Retail and Town Centre Study, 2018

3.7 Figure 3.1 shows that convenience goods floorspace capacity in Hounslow before commitments has decreased since the 2018 Study. The increase in floorspace capacity is primarily due to updates in published average sales densities of convenience retailers resulting in an increased overall benchmark turnover of stores in Hounslow relative to their survey derived turnover. Whilst some stores continue to under-trade, our assessment shows that there are still a number that continue to overtrade. After taking into account commitments, it is assessed that there is capacity for 700-1,000sq m convenience floorspace by 2034 (the NPPF minimum period), increasing to 900-1,200sq m net by 2043 (the end of the plan period).

3.8 Turning to Chiswick, the updated capacity assessment shows that convenience goods capacity has marginally increased, primarily due to updates in published average sales densities data. The capacity assessment identifies that there is estimated to be capacity for 1,000sq m – 1,300sq m convenience floorspace by 2034 (the NPPF minimum period), increasing to 1,200sq m – 1,600sq m net by 2043 (the end of the plan period).

3.9 It is estimated for Brentford that convenience floorspace capacity, after commitments, has increased to 800 – 1,100sq m net by 2034 (the NPPF minimum period), increasing to 1,000 – 1,400sq m net by 2043 (the end of the plan period). This increase is largely accountable to Morrison's relocating into the Brentford Waterside commitment which was previously assessed to be occupied by a different food retailer and Morrison's continuing to trade from their existing store.

3.10 In terms of Feltham, the updated capacity assessment indicates that the town continues to be well provided for by convenience goods facilities and generally existing foodstores in the town continue to under-trade.

Updated Comparison Goods Quantitative Retail Need Assessment

3.11 Figure 3.2 sets out an updated assessment of comparison goods floorspace need for the town centres in the borough before and after commitments.

3.12 We understand that since the 2018 Study planning permission for retail and residential development at Block D, Brentford Waterside, 98-109 High Street, Brentford has been granted planning permission (ref: 00607/BN/S1). The planning permission involves 96 residential units together with 816sq m gross flexible commercial floorspace.

3.13 Since the 2018 Study, planning permission has also been granted to reduce the level of retail floorspace within the Hounslow High Street Quarter redevelopment (ref: 00616/F/P23) from 11,199sq m gross to 8,897sq m gross. This updated assessment therefore makes an allowance for a lower level of comparison goods floorspace within this scheme.

3.14 The Council has confirmed that there are no other commitments/planning permission that need to be taken into account in our updated comparison goods capacity assessment for the Borough.

Figure 3.2: Summary of Comparison Goods Floorspace Need (sq. m net)

Year	2018 Study		2022 Update
Hounslow			
Before/ Commitments			
2024	Not tested		0
2029	6,100 – 10,600		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0
After Commitments			
2024	Not tested		0
2029	0		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0
Chiswick			
Before/After Commitments			
2024	Not tested		0
2029	2,600 – 4,600		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0
Brentford			
Before Commitments			
2024	Not tested		0
2029	1,900 – 3,400		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0
After Commitments			
2024	Not tested		0
2029	0		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0
Feltham			
Before/After Commitments			
2024	Not tested		0
2029	2,900 – 5,000		0
2034	Not tested		0
2037	Not tested		0
2043	Not tested		0

Source:
Tables 15-18, Appendix A
Tables 15-18, Appendix F, London Borough of Hounslow Retail and Town Centre Study

3.15 Figure 3.2 shows that since the 2018 Study, comparison goods floorspace has significantly reduced and there is now assessed to be no requirement for additional comparison goods floorspace within the 4 towns with the Borough even before taking into account planning commitments.

3.16 The reduction in comparison goods capacity is primarily as a result of:

- higher forecasts of growth in internet shopping;
- higher forecast comparison goods sales density growth; and
- reduced forecasts of growth in comparison goods expenditure per head.

3.17 The reduction in comparison goods capacity is clearly reflective of the comparison goods sector contracting over recent years with numerous comparison goods retailers closing stores/going into administration.

Conclusions

3.18 The above assessment identifies that by 2034 (the NPPF minimum timeframe) there could be sufficient convenience floorspace capacity to potentially support:

- Hounslow - an additional small convenience store (700-1,000sq m net) with capacity increasing to 900-1,200sq m net by 2043 (the end of the plan period).
- Chiswick – an additional small/medium size convenience store (1,000-1,300sq m net) increasing to 1,200sq m – 1,600sq m net by 2043 (the end of the plan period).
- Brentford – an additional small convenience store (800-1,100sq m net) increasing to 1,000 – 1,400sq m net by 2043 (the end of the plan period).

3.19 For Feltham, the updated capacity assessment indicates that the town continues to be well provided for by convenience goods facilities and generally existing foodstores in the town continue to under-trade.

3.20 The 2018 Study found that based on the health check assessments of each town centre and review of market share patterns there was not a qualitative need for additional convenience goods floorspace within the 4 towns (Brentford post Waterside scheme). Having reviewed the 2022 health check assessment undertaken by the Council we consider this conclusion still remains applicable. Given this, the relatively low level of identified floorspace capacity and the fact that this could relatively easily be absorbed by one or a limited number of change of use planning applications in each centre in the plan period, we do not consider it necessary to identify sites in the Local Plan for new small/medium sized convenience stores in the town centres.

3.21 In terms of comparison goods floorspace capacity the updated assessment shows that due to higher forecasts of growth in internet shopping; higher forecast comparison goods sales density growth; and reduced forecasts of growth in comparison goods expenditure per head there is no capacity for additional floorspace within the Borough over the plan period. However, in qualitative need terms the 2018 Study found that Chiswick Town Centre could benefit from an increase in the comparison goods provision to offer a greater variety of retailers and become more of a comparison goods shopping destination maximising on its independent offering. Similarly, Feltham Town Centre could benefit from improving its comparison offer and provide a greater range of comparison goods, with a specific emphasis on clothing and footwear. Having regard to: (1) the 2022 health check assessments undertaken by the Council; and (2) comparison goods market share patterns, we concur with these conclusion/recommendation and they remain valid.

3.22 Accordingly, the site allocations being brought forward in the new Local Plan that include comparison goods floorspace, which are also important for the regeneration of the two town centres and intensification of development delivering mixed use, remain justified/evidenced.

3.23 Elsewhere in the plan reviews, we note an element of retail provision is being taken forward on sites where it is for place-making purposes or replacing retail floorspace lost as part of redevelopment proposals. It is considered that the floorspace capacity assessment update in this report does not affect these proposals/allocations.

4.0 Review of Hounslow Local Plan Town Centre Policies

Introduction

4.1 This section of the report provides an initial review of the town centre policies provided in the Hounslow Local Plan, 2015. These policies are:

- Policy TC1 – Town and Neighbourhood Centre Network
- Policy TC2 – Ensuring the Future Vitality of Town Centres
- Policy TC3 – Managing the Growth of Retail and Other Main Town Centre Uses
- Policy TC4 – Managing Uses in Town Centres
- Policy TC5 – Managing Neighbourhood Centres and Isolated Local Shops

4.2 Each policy is considered in turn below.

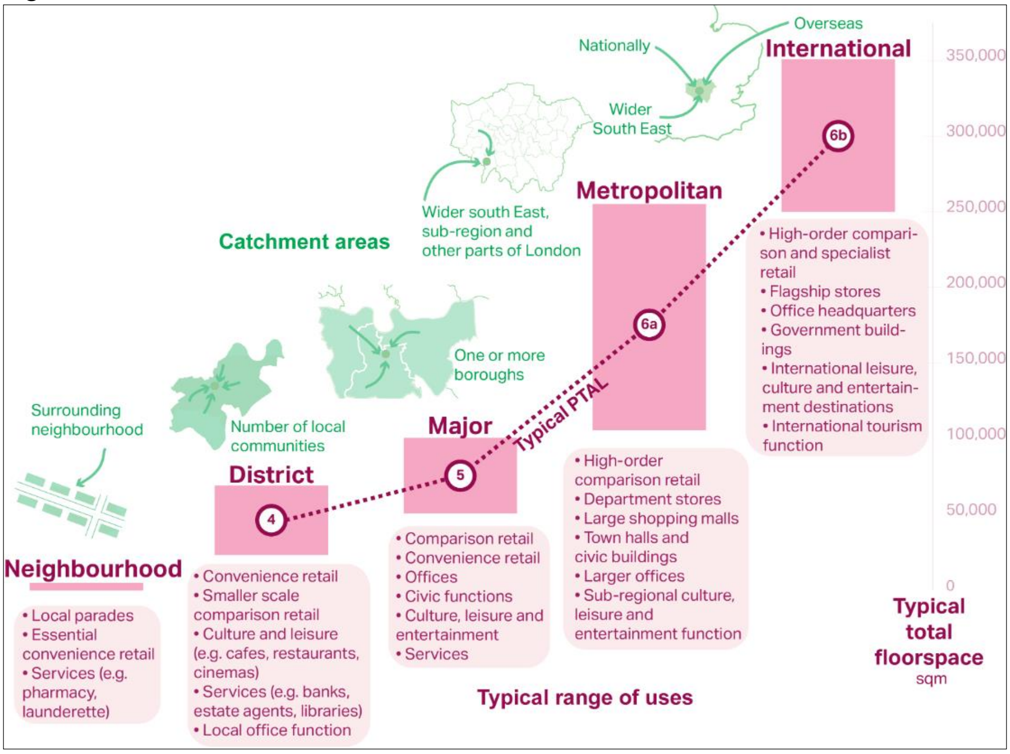
Policy TC1 – Town and Neighbourhood Centre Network

4.3 Adopted Local Plan Policy TC1 sets out the town and neighbourhood centre network for the Borough, with Hounslow identified as a Metropolitan Centre, Chiswick a Major Centre and Brentford and Feltham as district centres.

4.4 Policy SD8 (Town Centre Network) of the London Plan 2021 identifies that the changing roles of town centres should be proactively managed in relation to the town centre network as a whole. Figure 2.18 sets out a hierarchy of centres in the following order:

- International
- Metropolitan
- Major
- District
- Neighbourhood

Figure 4.1: London Plan 2021 – Town Centre Classifications



Source: London Plan 2021, Figure 2.18

4.5 London Plan Policy SD8 identifies that the classifications of International, Metropolitan, and Major town centres can only be changed through the London Plan. Notwithstanding this, having reviewed: (1) the role and type of provision provided in the centres of Hounslow and Chiswick; (2) the assessment of the centres undertaken as part of the 2018 Study; (3) and the definitions/defined role of centres set out Annex 1 of the London Plan 2021, it is considered that both continue to perform their respective roles as Metropolitan and Major Centres as set out in Policy TC1.

4.6 In terms of Brentford and Feltham, Annex 1 of the London Plan 2021 defines district centres as:

> **District centres** – distributed more widely than Metropolitan and Major centres, providing convenience goods and services, and social infrastructure for more local communities and accessible by public transport, walking and cycling. Typically, they contain 5,000–50,000 sqm of retail, leisure and service floorspace. Some District centres have developed specialist shopping functions.

4.7 It is considered, given existing retail provision, shopping patterns, and the size of the centres of Feltham and Brentford, that both centres continue to perform the role of district centres providing for the shopping and service needs of residents of the towns and their catchment areas.

4.8 Accordingly, we consider that the hierarchy within Local Plan Policy TC1 is still relevant and Feltham and Brentford should continue to be designated as district centres for retail purposes.

4.9 As part of this commission we have not been asked to undertake a review of the role of the 43 neighbourhood centres within the borough. It is noted that the 2018 Study also did not undertake a review or assessment of these centres. We are therefore unable to advise whether these centres continue to perform their previously identified role as neighbourhood centres.

Policy TC2 – Ensuring the Future Vitality of Town Centres

4.10 Local Plan Policy TC2 seeks to promote the vitality and viability of the four town centres within the Borough, with a particular emphasis on Hounslow and Brentford. It is supportive of the regeneration of the town/district centres in the borough and reflects regeneration/redevelopment plans identified at the time of the Local Plan was published (2015).

4.11 It is considered that the policy should be maintained albeit updated to reflect the findings of the 2018 Study and this update. Of particular note, it should reflect the retail need/capacity and the health check assessment findings set out in the studies and town centre and neighbourhood vitality and viability health checks undertaken by the Council in 2022, while ensuring that retail uses continue to be the primary focus in town centres, including in major redevelopment schemes in the primary shopping areas.

Policy TC3 – Managing the Growth of Retail and Other Main Town Centre Uses

4.12 Local Plan Policy TC3 adopts the town centre first approach discouraging main town centre uses in out-of-centre locations. It is considered that Policy TC3 is generally in accordance with Policy SD7 (Town Centres: Development Principles and Development Plan Documents) of the 2021 London Plan. Policy TC3 requires proposals for main town centres outside of defined town centres to demonstrate compliance with both the sequential approach and retail impact policy tests which is both in accordance with the London Plan and the NPPF.

4.13 Policy TC3 sets a local retail impact assessment threshold and requires development proposals of over 500sq m retail floorspace floorspace proposed outside of the town centres to be accompanied by an impact assessment.

4.14 The 2018 Study reviewed and made recommendations on the retail impact threshold. The 2018 Study recommended, having regard to, *inter alia*:

- the health of the town centres;
- performance of the town centres;
- retail unit and floorspace composition of each of the town centres;
- increasing competition from the internet; and availability of units in the prime shopping area capable of meeting potential national multiple occupiers in each of the centres,

that the Policy TC3 threshold of 500sq m for retail floorspace proposed outside of designated centres was appropriate.

4.15 It is considered, given the nature of this Study Update, the findings do not materially affect the previous retail impact threshold conclusions in the 2018 Study. Accordingly, we agree with the findings of the 2018 Study that an amendment to the threshold within Policy TC3 is not necessary. The threshold will continue to provide the Council with sufficient flexibility to assess the merits and potential impact implications of edge and out-of-centre retail applications.

4.16 The supporting text of Policy TC3 should be updated to reflect the findings of this Study Update, and where not updated by the Study, the 2018 Study findings.

Policy TC4 – Managing Uses in Town Centres

4.17 Policy TC4 seeks to maintain and enhance the retail role of town centres, while ensuring that they are responsive to changing needs and provide scope for a diversity of uses, in appropriate places, that contribute to their vitality and viability.

4.18 The policy identifies that this will be achieved by, *inter alia*, establishing town centre boundaries, primary shopping areas and primary/secondary retail frontages, protecting the retail role of the town centres by ensuring primary frontages retain a high proportion of retail uses, and supporting a diversity of uses outside primary retail frontages.

4.19 In order to encourage a more positive and flexible approach to planning for the future of town centres the NPPF deleted its predecessors' requirement for LPA's to identify primary and secondary frontages. Primary and secondary frontages identified in Policy TC4 are therefore no longer required to be identified. The requirement to define town centre boundaries and Primary Shopping Areas in Local Plans however continues to be identified/set out in the NPPF

4.20 Policy TC4 requirements to maintain a high proportion of retail uses in the primary shopping frontage and direction of other town centre uses to secondary shopping frontage should also be removed from the policy. With the amendments to the Use Class Order in 2020 and the introduction of new Use Class E, permitted development exists for the former A1 retail uses to change to other non-retail uses including restaurants, cafes and offices. The policy would be at odds with the permitted change of use within Use Class E which has been specifically made to reflect changing and reduced retail requirements and to allow town centres to diversify, adapt quickly and provide a mix of uses. The full range of uses is set out in Figure 4.2 below.

Figure 4.2: Schedule setting out uses within Use Class E: Commercial, Business and Service

Class	Description
E: Commercial, Business and Service	a. Shops or retail uses. b. Restaurants and cafes. c. The provision of the following: i. Financial services ii. Professional services (other than medical) iii. Any other service which is appropriate to provide in a commercial, business or service locality. d. indoor sport, recreation or fitness centres, not involving motorised vehicles or firearms. e. medical or health services. f. creches, day nurseries and day centres (not including a residential use). g. For: i. Offices ii. Research and development, or iii. Any industrial process being a use which can be carried out in any residential area without any detriment to the amenity of that area.

Source: The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020

4.21 Furthermore, whilst the current policy wording would also conflicts with recently amended Class MA of the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order which allows Class E uses, such as existing retail units, to be converted into residential properties (subject to prior approval), we undersand that the Council are currently bringing forward an Article 4 Direction which will withdraw Class MA Permitted Development Rights in the town and neighbourhood centres in the Borough. This follows vitality and viability health check of centres undertaken by the Council in 2022. The health checks found that the centres are continuing to operate successfully with low vacancy rates, high footfall and varied uses.

4.22 Whilst it is noted that Policy TC4 supports a diversity of uses in the town centres in the Borough to reflect latest Government policy this should be identified as one of the key objectives in seeking to manage uses in the town centres. It will be important that the policy seeks to protect the balance of uses in the town centre to make sure, having regard to existing provision, that larger redevelopment proposals provide the right balance of uses for the centre and to ensure its primary retail use is not diluted to the extent that it would negatively impact on the retail function of the town centre. It will also remain important for retail uses in town centres to be the primary focus, including in major redevelopment schemes within the defined Primary Shopping Area.

Policy TC5 – Managing Neighbourhood Centres and Isolated Local Shops

4.23 Policy TC5 seeks to maintain and improve neighbourhood centres to meet the day to day shopping/service needs of their local communities. It identifies that: (1) development proposals will be expected to ensure that at least 50% of units are in retail uses in neighbourhood centres; and, (2) where a change of use from retail (formerly A1 use) is proposed, to demonstrate the availability of alternative shopping provision in a town/neighbourhood centre within 400 metres /5 minute walking distance. The policy also seeks to protect isolated local shops.

4.24 Similar to Policy TC4, Policy TC5 is in conflict with permitted development now allowed under new Use Class E of the Town & Country Planning (General Permitted Development) (England) (Amendment) Order. Change of use from retail to a range of other non-retail uses is now allowed under permitted development.

4.25 Alder King Planning therefore consider it to be unreasonable for a planning application proposal to have to demonstrate that at least 50% of units in a neighbourhood centre are in retail uses when some centres may actually have less than 50% at the time the application is submitted and at any point in time these units could change from retail use to another use in Class E without requiring planning permission.

4.26 It is important to recognise that the defined neighbourhood centres in the Borough continue to have a vital and positive role to play in providing retail and service facilities for their local communities, providing walkable and accessible facilities consistent with the 15 minute neighbourhood concept. It is noted that the 2022 vtiality and viability health checks of the neighbourood centres undertaken by the Council found the centres to be generally functioning successfully and playing an important role in their communities.

4.27 In order to manage neighbourhood centres and isolated shops it is considered that Policy TC5 should provide qualitative criteria which seeks to ensure that planning application proposals do not harm the character, offer and role of neighbourhood centres; do not harm the vitality and viability of the centre; and are of appropriate scale and design for the centre.

Conclusions

4.28 This section of the report has provided an initial review of the town centre policies provided in the Hounslow Local Plan, 2015. It provides a number of recommendations in respect of changes Alder King consider are required to the policies having regard to, *inter alia*, the findings of the 2018 Study and this update, and the changes to the use class order and permitted development rights.

5.0 Conclusions

Introduction

5.1 Alder King Planning Consultants has been commissioned by the London Borough of Hounslow ('The Council') to produce a partial update to the 2018 Hounslow Retail and Town Centre Needs Study – Update (the 2018 Study).

5.2 The Study Update:

- provides an update on the economic trends since the 2018 Study;
- provides an up to date assessment of the future retail capacity/quantitative needs including an update of all statistical tables at Appendices E-G and an updated section setting out updated capacity figures comparing to the 2018 findings; and
- undertakes an initial review of the town centre policies (Policies TC1-TC5) in the Hounslow Local

5.3 The Study Update should be read alongside the 2018 Study.

Update on Economic Retail & Leisure Trends

5.4 The 2018 Study identified that the Borough's town centres face a number of challenges. The centres continue to face these challenges, particularly from increasing competition from the internet, business rates, multichannel retailing, polarisation of retailing, and out-of-centre retail/leisure developments. These challenges will impact on the performance, vitality and viability and the future strategy of the centres.

5.5 It remains important that the town centres in the borough are able to respond to continued changes in the retail and leisure sector and that they provide (or continue to provide) an offer/destination which provide a diversity of uses and distinguishes them from competing centres and out-of-centre retail and leisure destinations.

Updated Quantitative Capacity Assessment

5.6 An updated quantitative capacity assessment is provided in Section 3 of this report. The assessment identifies that by 2034 (the NPPF minimum timeframe) there could be sufficient convenience floorspace capacity to potentially support:

- Hounslow - an additional small convenience store (700-1,000sq m net) with capacity increasing to 900-1,200sq m net by 2043 (the end of the plan period).

- Chiswick – an additional small/medium size convenience store (1,000-1,300sq m net) increasing to 1,200sq m – 1,600sq m net by 2043 (the end of the plan period).

- Brentford – an additional small convenience store (800-1,100sq m net) increasing to 1,000 – 1,400sq m net by 2043 (the end of the plan period).

5.7 For Feltham, the updated capacity assessment indicates that the town continues to be well provided for by convenience goods facilities and generally existing foodstores in the town continue to under-trade.

5.8 The 2018 Study found that there was not a qualitative need for additional convenience goods floorspace within the 4 town centres. Having reviewed the 2022 health check assessment undertaken by the Council it is considered this conclusion still remains applicable. Given this, the relatively low level of identified floorspace capacity and the fact that this could relatively easily be absorbed by one or a limited number of change of use planning applications in each centre in the plan period, it is not considered necessary to identify sites in the Local Plan for new small/medium sized convenience stores in the town centres.

5.9 In terms of comparison goods floorspace capacity the updated assessment shows that due to higher forecasts of growth in internet shopping; higher forecast comparison goods sales density growth; and reduced forecasts of growth in comparison goods expenditure per head there is no capacity for additional floorspace within the Borough over the plan period. However, in qualitative need terms the 2018 Study found that Chiswick Town Centre and Feltham Town Centre could benefit from an increase in the comparison goods provision to offer a greater variety of retailers/comparison goods offer. Having regard to the 2022 health check assessments undertaken by the Council, and comparison goods market share patterns, we concur with these conclusion/recommendation.

5.10 Accordingly, the site allocations being brought forward in the new Local Plan that include comparison goods floorspace, which are also important for the regeneration of the two town centres and intensification of development delivering mixed use, remain justified/evidenced. Elsewhere in the plan reviews, we note an element of retail provision is being taken forward on sites where it is for place-making purposes or replacing retail floorspace lost as part of redevelopment proposals. It is considered that the floorspace capacity assessment update in this report does not affect these proposals/allocations.

Review of Hounslow Local Plan Town Centre Policies

5.11 Section 4 of this report provides an initial review of the town centre policies provided in the Hounslow Local Plan, 2015. It provides a number of recommendations in respect of changes Alder King consider are required to the policies having regard to, *inter alia*, the findings of the 2018 Study and this update, and the changes to the use class order and permitted development rights.

5.12 A further review of these policies is recommended following the detailed drafting of these policies.

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