Alton
Neighbourhood Plan

Economic Sustainability and Viability Evidence Base

(April 2015)

Part 1 (Evidence to 17 May 2014)

Introduction

Information contained in part 1 of Economic Development and Sustainability Evidence Base is focused on research undertaken and information gathered and presented to the public on 17 May 2014. Evidence generated and gathered after that date is covered in part 2.

The first draft objective (5a) reads:

To protect and enhance the role of Alton town centre as a retail, tourism and hospitality hub, which is vibrant and adaptable to future needs.

Evidence has been sought to understand the principal questions that underlie that objective:

- What is the current commercial role of Alton Town Centre, with specific reference to retail, tourism and hospitality?
- What is the level of demand for retail, tourism and hospitality premises in the Town Centre? Are there many vacant units?
- Are retail, tourism and hospitality premises being lost e.g. through change of use?
- What is the projected future role of Alton Town Centre?
- Are there any particular needs from residents or visitors that are not being met?

What is the current commercial role of Alton Town Centre, with specific reference to retail, tourism and hospitality?

The Retail Impact Assessment from 2011 (prepared for EHDC) describes Alton as follows:

> *'Alton town centre is a historic market town and is one of the two main shopping centres within the East Hampshire District (Petersfield is the other). The town centre serves the north of the District, but the town and its catchment area is influenced by major shopping destinations surrounding the District, in particular higher order centres in Basingstoke, Guildford and Winchester. In terms of size and multiple retailer representation, Alton town centre is relatively low in the rankings of centres, and larger towns attract a significant proportion of comparison shopping trips from Alton's catchment area.'*[1]

Retail in Alton is fairly representative of the UK High Street in general. The town centre has 215 shop premises (Class A1 to A5), and the current businesses comprise a reasonable spread of independent and some national chain stores, although there is now a noticeable over-representation of some sectors (such as Charity Shops), with others that are either scarce or missing completely; DIY for example. [2]

There have been some significant losses such as Woolworths, Currys and Stead & Simpson over the last few years, along with independent retailers, many of whom have simply chosen not to renew their leases at expiry. There are notable empty units such as the old post office, The Weybridge and a significant proportion of Westbrook Walk.

The businesses off all types within the boundaries of Alton & Holybourne were invited to participate in the Business Survey which was completed anonymously online via Survey Monkey.

The Employment Land Review 2013 (prepared for EHDC) states that:

> *'The majority of retail jobs are currently located within East Hampshire's market towns of Petersfield (29.6%) and Alton (26.6%), with the remaining jobs dispersed across the District's local service centres.'*[3]

Although Alton is the bigger of the two settlements, Petersfield has the larger share of retail business. It is likely that a contributing factor to this discrepancy is the geographic layout of Alton town centre; it is long and narrow with some significant gradients at Crown Hill, Market Street, Cross and Pillory Lane and Westbrook Walk.

Alton has a significant amount of visitor attractions, all of which have their own marketing campaigns:

- Curtis Museum (Alton Buckle)
- Allen Gallery (Noted ceramics collection)
- Watercress Line
- Jane Austen (Although her house is in Chawton, there are some direct links to the town as detailed in The Jane Austen Walk)

There are further attractions such as Fanny Adams' grave and the sites of the Civil War 'Battle of Alton' that have a limited marketing strategy; there are also the occasional / seasonal events such as the Party in the Park and Classic Car Show, but street surveys conducted by the Tourism Group indicate that they are predominantly attended by local people.[4]

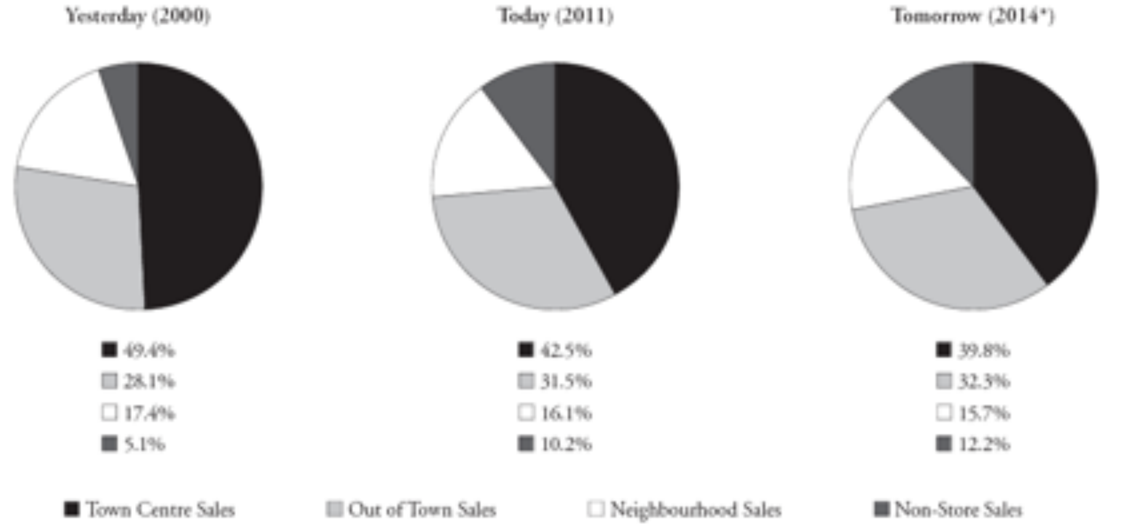
Alton has a good selection of pubs catering for most demographics. In addition Wetherspoons are in the process of applying for the conversion of Oceanic/Ivy House.

There is also a variety of fast food and other takeaway outlets, cafes and coffee shops, plus a selection of restaurants comprises two Italian style chains, 2 Indian restaurants, 1 Thai and 2 European, along with two hotels

What is the level of demand for retail, tourism and hospitality premises in the Town Centre? Are there many vacant units?

The Portas Report (2011) gives an illustration of how town centre business has declined generally. [5]

Figure 1: Less than half of our retail spending is on the high street and this figure is falling



Spending by Location, 2000 vs 2011 vs 2014

*Source: Department for Business, Innovation and Skills/Genecon and Partners (2011) Understanding High Street Performance. Citing Verdict Research (2011) UK Town Centre Retailing and (2010) Out of Town Retailing. *Estimated*

Many National chains are now choosing to place their stores in out of town developments and large shopping malls rather than small town High Streets, and recession and internet trading have both had a dramatic effect on bricks and mortar offerings.

There is a discrepancy between the stated desires of the respondents to the Neighbourhood Plan Questionnaire and the reality of business experience. Although it has been shown that many participants in the survey would like to see a variety of independent shops to choose from, recent research by ACCI of independent retailers suggests that those who have recently closed and those who intend not to renew their leases in the next 5 years all cite increasing costs versus reducing profits as a major contributing factor to their decision. Those businesses who record store footfall have noted a decline in numbers over the last year.[6]

It has been shown in the recent reports be Deloitte[7] and Ernst & Young[8], that the national trend for re-letting of units vacated by larger retailers is that they become discount stores or grocers. This has already happened in Alton; what was Currys is now a (temporary) discount shop, ‘The Original Factory Shop’ has taken the remaining section of what was Somerfield, and Woolworths is now Iceland.

With reference to unit occupancy, of the 215 available 32 are empty as at April 2014, equating to 14.9% which is slightly above the national average of 12.2%.[9]

In the Retail Impact Assessment, charity shops were specifically mentioned. There were 8 in 2011 which was described as relatively high[10]; there are now 11.

The Tourism group has been working with ‘Hidden Britain’, and has had some recent success with encouraging coach excursions to add Alton to their itineraries, but has no real need for additional premises. As detailed previously, the current hospitality offering is adequate and there are empty units available should further businesses choose to open in town.

Are retail, tourism and hospitality premises being lost e.g. through change of use?

This has not been an issue; there is a surplus of commercial property, some of which has been empty for years.

What is the projected future role of Alton Town Centre?

There have been reports by Ernst & Young and Deloitte in the last month regarding the future of the High Street:

> *'The outlook for the High Street*
>
> *While a return to sustained growth in consumer spending must be seen as generally good news for the high street, the pattern of growth over the next few years raises two clear issues for the evolving retail sector. The first is that the increase in spending is expected to be strongest in areas like entertainment, leisure, broadband services and technology, indicating that the transformation of the high street towards leisure experiences will continue and that the battle intensifies for our £ spend. The second is that consumers' spending will be affected by continuing caution following the downturn and greater divergence between different segments. This means all retailers will have to keep close tabs on their own consumers, by using analytics to generate deep insights from their customer data – and then acting quickly in response to emerging shifts.'*
>
> Ernst & Young[11]

> *'Just 20% of high street shops affected by 27 high profile administrations since 2009 are still vacant, according to new research from Deloitte, the business advisory firm.*
>
> *Discount stores account for nearly one in five of all re-lettings of shops vacated as a result of administrations in the study. Indeed, the shops acquired by discounters as a result of these administrations account for nearly 50% of the expansion in this sector since 2008. Convenience stores have also expanded strongly, accounting for nearly 12% of space acquired post-administration. This pattern suggests a change in shopping habits inspired by the recession and mobile commerce, as the major supermarkets move the battleground in their "race for space" to the high street.'*
>
> Deloitte[12]

This has already happened in Alton; what was Currys is now a (temporary) discount shop, 'The Original Factory Shop' has taken the remaining section of what was Somerfield, and Woolworths is now Iceland.

Are there any particular needs from residents or visitors that are not being met?

Parking, either cheaper or free, was a significant finding in the Neighbourhood Plan Questionnaire, and this is reflected the findings of the Towns Alive (formerly AMT) 2014 survey, namely:

- Parking is perceived to be a problem

- Our town is failing to push home the message that people should use what is available to them locally
- Residents feel they do not have a great enough voice in how decisions are made that impact on the town
- Competition from out of town retailers
- Competition from internet retailers
- Towns' issues are not taken seriously by government
- The street scene – design, safety, accessibility, attractiveness etc. – is detrimental to the town's appeal

As part of this survey Towns were asked:

> *"What can Government best do to support you in overcoming these challenges?" Many made comments such as "Look at the issue of business rates – what can be done to reduce them without local authorities being made to pay the price (recent government changes have not gone far enough); also really back the 'town centre first' concept to reduce the growth of out of town shopping at the expense of our high streets," and "Implement a Retail park parking levy to subsidise High Street business rates."*

The results come after recent research from property firm Jones Lang LaSalle (JLL) Retail found that 40% of UK retail sites are paying over the odds in business rates because of the Government's decision to defer a property revaluation to 2017.[13]

<u>The second draft objective (5b) reads:</u>

To develop and enhance the business economy of Alton and Holybourne, to ensure the town is as economically sustainable as possible when taking into account the new housing.

Evidence has been sought to understand the principal questions that underlie that objective:

- Are the needs of the current business community (e.g. premises and infrastructure) being met?
- Is there evidence of unmet need?
- How might those needs alter and expand as Alton grows?

The 3 main points that emerged from the Neighbourhood Plan Business survey are:

- Improved transport links
- Lack of suitable property to rent
- Fast Broadband needed[14]

The following points are taken from the Employment Land Review 2013

- EHDC has a higher number of knowledge based industries, and this would confirm the finding that faster broadband is a requirement for establishing and/or developing business.
- There is very little 'churn' within the industrial premises. Much of the property is relatively old, but as there is little turn over and relatively few vacancies, there is little incentive to upgrade it.
- Older premises tend to be less flexible in terms of use
- There is little speculative development
- Most businesses here are long established, there are few instances of businesses locating in from elsewhere
- Due to the lack of space, expansion opportunities are limited. Any requirement for large scale expansion could lead to location out of the area
- Between 18.8ha and 38.8ha projected to be required across the district
- Alton requirement: min. 4ha in JCS, 2.5ha available within Alton and Holybourne
- There is a lack of business incubation services across the district
- Health and residential care is set to increase 18% by 2028[15]

Although the Alton 2020 report is from 2005, there are some principles that remain:

- To continue to be the premier town within the East Hampshire District with a clear business strategy to attract new retail and commercial businesses into the town and support existing businesses.
- To engage and retain young people by effectively communicating the work and social benefits Alton can offer.
- To build tourism by effectively marketing, and making easily accessible, the sites and attractions of interest in Alton and its outlying villages[16]

The Alton Study also makes statements that still apply:

Alton will be a place that welcomes business

- A place with a strong brand and identity
- A place with a well-educated workforce
- A place that offers a range of workspace
- A place with well-planned employment areas
- A place that is easy to access and has good transport connections including regular rail services to London Waterloo
- A place with a vibrant town centre[17]

Part 2 (evidence gathered from 17 May 2014 onward)

Information contained in this Part 2 of the Economic Development and Sustainability Evidence Base is focused on evidence gathered from 17 May up to the conclusion of the first six-week public consultation on 30 March 2015.

Definition of Policies

Draft Policies were defined on an iterative and ongoing basis from the confirmed Objective over a number of months from 17 May 2014 to 30 March 2015.

After presentation to the public on 17 May 2014, all feedback information was gathered, collated and then formalized a full commentary of which is contained in the Consultation Statement. Analysis of feedback and further emerging evidence allowed the ANPSG to develop the NP draft policies.

The defined Policies then formed a key part of the Policy presentation to the public on 22 Nov 2014. After this presentation all information was gathered and collated in the form of the *Analysis of Comments from Public Presentation held on 22 Nov 14* (ACPP). This document is available for review on the Alton Town Council website.

As a result of the ACPP findings refinements and adjustments were made to the draft policies to reflect public responses where the weight of opinion and justification supported a change. These refined policies were then distilled into a draft NP document for consideration by Alton Town Council prior to the initial Pre-Submission Public Consultation formally conducted from 16 Feb to 30 March 2015.

Objective 5a.

To protect and enhance the role of Alton town centre as a retail, tourism and hospitality hub, which is vibrant and adaptable to future needs.

There have been no significant changes since the Draft Evidence Base was published in May 2014 and while the numbers of empty retail units have changed the overall level of vacant retail units remains slightly above the national level. The mix of retail activity has also remained largely unchanged. However Wetherspoons, as mentioned in Part 1, has now opened.

Informal discussions with local Chartered Surveyors would suggest that while the average commercial rents have fallen in recent years the current economic climate, combined with Alton's population profile, demand for space from the type of business alluded to in the responses to the community questionnaire is simply not there. However, in addition to the obvious economic issues impacting the demand for space other local issues were also cited, such as the suitability of some retail units for modern retails, size, access, etc. The number of planning applications to convert first floor retail space for residential use also appears to support the view that there is little or no demand for small multi-storey retail units, or retail space with significant on-site storage space.

During the process of policy development it was felt that the inclusion of specific policies within the Neighbourhood Plan would not help to achieve the objective 5a instead Alton Town Council agreed to a number of Action Points aimed at enhancing the vibrancy of the town centre – a topic which the public consultation has identified as a specific concern to the local residence.

Objective 5b.

Since the Draft Evidence Base was published in May 2014 Molson Coors UK have declared their intention to cease brewing in the town and to vacate 5.3 hectare of employment land close to the town centre. This has resulted in the development of the policy ES3.

A study of local census data would tend to confirm that most of Alton's residents already commute out of the area for work with local business failing to generate the number and quality of employment opportunities, in part due to issues identified in Part 1 of this document.

Limited research into the vast amount of research data available with regards to development of new, in particular knowledge based, industries, has also pointed to the need for suitable space for business start-ups and incubation units.

These issues led to the development of Policies aimed at protecting employment land and encouraging the flexible development of brownfield sites, which for brownfield sites close to the town centre would also help in achieving objective 5a due to the potential for increased retail foot-fall.

Reference Documents	Ref Number
Retail Impact Assessment, 2011 Prepared by Nathaniel Lichfield and Partners for East Hampshire District Council	1,10
Alton Neighbourhood Plan survey 2014	2
Employment Land Review 2013 Prepared by Nathaniel Lichfield and Partners for East Hampshire District Council	3,15
Alton Visitor Group Survey 2013	4
The Portas Review 2012 Mary Portas	5
ACCI High Street assessment 2014	6, 9
Ernst & Young Report Consumer Spending 2014 http://www.ey.com/UK/en/Issues/Business-environment/Financial-markets-and-economy/Ernst---Young-ITEM-Club-special-report-on-consumer-spending---Outlook-for-the-highstreet	7, 12
Deloitte Report on High Street Shops 2014 http://www.deloitterealestate.co.uk/News/Deloitte-Real-Estate-/Just-20-of-high-street-shops-affected-by-administ.aspx	8,11
Deloitte Report on Changing Face of Retail 2014 http://www.deloitte.com/view/en_GB/uk/industries/consumer-business/the-changing-face-of-retail/index.htm	8, 11
Towns Alive 2014 Survey	13
Alton Neighbourhood Business survey 2014	14
Alton Town Design Statement Alton Town Partnership 2008	16
Alton Study 2013 Prepared by Urban Initiatives Studio for East Hampshire District Council	17

1 EHDC Retail Impact Assessment for proposed Tesco, 2011

2 Neighbourhood Plan Survey 2014

3 ELR 2013

4 Visitor Survey

5 Portas Report

6 ACCI research 2014

7 Deloitte

8 Ernst & Young

9 ACCI research 2014

10 EHDC Retail Impact Assessment for proposed Tesco, 2011

11 Ernst & Young

12 Deloitte

13 Towns Alive

14 NP Bus Questionnaire

15 ELR 2013

16 Alton 2020

17 Alton Study