

# CAMDEN RETAIL & LEISURE STUDY

**VOLUME A – MAIN REPORT**

Prepared on behalf of:

London Borough of Camden

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Signed:

*Lambert Smith Hampton*

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For and on behalf of Lambert Smith Hampton

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## **VOLUME B: SHOPPING AND LEISURE EXPENDITURE AND RETAIL NEEDS ASSESSMENT**

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## 1. INTRODUCTION

- 1.1 Lambert Smith Hampton (LSH) was instructed by the London Borough of Camden ('the Council' or 'LB Camden') in February 2023 to prepare a Retail and High Streets Needs Assessment ('the Study') for the borough. The Study will specifically update the Council's current town centre evidence, the Camden Retail and Town Centre Study 2013 ('2013 RTCS').
- 1.2 The Council is currently in the process of updating the adopted Local Plan for the Borough. This Study will provide the updated robust and sound evidence base that is needed to help formulate strategies and policies specific to retail and other main town centre uses in the new Local Plan.
- 1.3 Since the 2013 RTCS was prepared, the UK has experienced major economic and social events (e.g. COVID-19, energy and cost of living crisis, inflation and a rise in interest rates) that have impacted on how we shop, work and use our town centres. As such, there is a need to review the town centre evidence to ensure that the policies within the emerging Local Plan continue to be appropriate and capable of providing the policy guidance required to achieve the Council's development objectives.
- 1.4 As such, this new study takes account of current and predicted market trends, and the recent impact of the pandemic on town centres and high streets as places to shop, live, work, study and visit for a wide range of uses and activities. It has been carried out in accordance with current policy and guidance pertaining to retail and town centre uses, and employment land at the national and local level, including the National Policy Framework (NPPF) and National Planning Practice Guidance (PPG).
- 1.5 Notwithstanding, the economic uncertainties highlighted above, this study does provide the robust evidence base and key findings to help inform and guide both plan-making and decision-taking across the Borough and its main centres during the new Local Plan period. Whilst the study will assess outputs up to 2041, any findings beyond 2033 should be treated with caution on the basis that forecasts become less reliable after a 10-year period.
- 1.6 The study is presented in a series of inter-related Volumes:
  - **Volume B**: comprises the quantitative analysis and appendices that inform the economic capacity tables for retail needs over the period to 2041; and
  - **Volume C** sets out the findings of the 2023 town centre health check assessments of Camden's Central London Frontages, Specialist Shopping Areas, Town Centres and Neighbourhood Centres;
- 1.7 This Volume A study draws on the evidence and research in Volumes B and C. It provides robust policy recommendations to help the Council prepare positive strategies, plans and policies for the growth, management and adaptation of the Borough's main centres over the short, medium and long term to help ensure their future vitality and viability.
- 1.8 For ease of reference it is divided into the following inter-related sections:
  - **Section 2** reviews the national, regional and local planning policy context;
  - **Section 3** reviews town centre and retail market trends
  - **Section 4** reviews commercial leisure and other land use trends;
  - **Section 5** summarises the findings from the health checks of Camden's centres;
  - **Section 6** provides an assessment of retail and leisure capacity; and

- **Section 7** sets out our town centre policy and strategy recommendations.
- 1.9 Aligned with the NPPF (paragraph 86), PPG, and The London Plan (TLP), this study specifically provides advice and recommendations on:
- The quantitative and qualitative need ('capacity') for new retail floorspace uses, "looking at least ten years ahead" (NPPF, paragraph 86d and TLP, Policies SD7 & E9). Longer term capacity forecasts are provided but are less reliable beyond ten years;
  - The retail hierarchy and whether the current hierarchy remains appropriate (NPPF, paragraph 86a and TLP, Policy SD8);
  - Town centre boundaries and Primary Shopping Areas (PSAs) (NPPF, paragraph 86b and TLP, Policy SD7); and
  - Whether the current policies in the Camden Local Plan 2017 remain appropriate going forward or need to be reviewed / revised.
- 1.10 It is important to state at the outset that the medium to long term capacity forecasts provided in this report should be treated with caution. They are based on the best information available at the present time and reflect past trends which recently have been influenced by the dynamic changes in economic, demographic, lifestyle and market trends, including the rise of online shopping over the last decade, the impacts of the COVID-19 pandemic, and the unfolding impact of the cost of living crisis.
- 1.11 However, there is inevitably a degree of uncertainty about the future and this uncertainty increases the further ahead forecasts look. This is recognised in the PPG which states that assessments "...*may need to focus on a limited period (such as the next **five years**)*", but will also need to take the lifetime of the plan into account and be regularly reviewed (Source: Paragraph 004. Reference ID: 2b-004020190722, PPG). We therefore advise that the local planning authority should place greater weight on forecasts over the next five to ten-year period, up to 2033.

## 2. PLANNING POLICY CONTEXT

- 2.1 To help inform the preparation of this study, this section provides a summary of the key national, regional and local planning policies pertaining to retail, leisure and other main town centre uses. The review also considers the implications of recent changes to the Use Classes Order and Permitted Development Rights (PDR), particularly in relation to PDRs that allow the conversion of buildings and units in commercial use to residential use.
- 2.2 The NPPF was updated in September 2023 and sets out the Government’s planning policies for England. Planning law requires that applications for planning permission be determined in accordance with the development plan<sup>1</sup>, unless material considerations indicate otherwise<sup>2</sup>. The NPPF must therefore be considered in plan-making and is a material consideration in planning decisions.
- 2.3 The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development, which is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs<sup>3</sup>. The Framework (paragraph 11) sets out the Government’s view of what the presumption in favour of sustainable development means in practice. For **plan-making**: “...plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change” (paragraph 11a).
- 2.4 Chapter 3 (**‘Plan-Making’**) of the Framework provides guidance to local authorities on preparing local plans. Paragraph 20 states that policies should set out an overall strategy for the location, scale and quality of development, and make sufficient provision for new sustainable development. It requires that strategic policies should look ahead over a minimum 15 year period from adoption, **except in relation to town centre development** (see below). In preparing development plans, “policies should be underpinned by relevant and up-to-date evidence” (paragraph 31). To ensure the local plans and spatial strategies are relevant they should be reviewed at least once every five years and updated as necessary (paragraph 33).
- 2.5 Chapter 7 (**‘Ensuring the vitality of town centres’**) provides guidance on plan-making and decision-taking for retail and other town centre uses. Paragraph 86 states that “planning policies and decisions should support the role that town centres play at the heart of local communities” and sets out criteria that local authorities should consider when preparing planning policies. These include: (a) defining a network and hierarchy of centres; (b) defining the extent of town centres and Primary Shopping Areas (PSAs); (c) retaining and enhancing existing markets; and (d) allocating a range of suitable sites in town centres to meet the sales and type of development likely to be needed, “**looking at least ten years ahead**”.

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<sup>1</sup> This includes local and neighbourhood plans that have been brought into force and any spatial development strategies produced by combined authorities or elected Mayors.

<sup>2</sup> Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990.

<sup>3</sup> Resolution 42/187 of the United Nations General Assembly

- 2.6 Paragraphs 87-91 specifically set out the requirement to apply the sequential and impact tests to determine applications for new retail, leisure and main town centres that are neither in an existing centre, nor in accordance with an up-to-date development plan.
- 2.7 Other Chapters in the NPPF are also relevant to the preparation of this study, and to the Council's plan-making and decision-taking policies for its network and hierarchy of centres. For example, Chapter 8 ('Promoting healthy and safe communities') sets out the need to achieve healthy, inclusive and safe places; including the need to plan positively for the provision and use of shared spaces, community facilities (such as local shops) and other local services to enhance the sustainability of communities and residential environments (paragraph 93a).

### ***Planning Practice Guidance (PPG)***

- 2.8 The Planning Practice Guidance (PPG) provides specific guidance on plan-making and decision taking for retail, leisure and town centre uses, including guidance on Permitted Development Rights (PDR), Article 4 Directions, and the new Use Classes Order ('UCO') that came into effect on 1<sup>st</sup> September 2020<sup>4</sup> (discussed later in this section). The Guidance supports the policies and provisions of the NPPF, placing significant weight on the development of positive plan-led visions and strategies for town centres.
- 2.9 In terms of planning for town centres, the PPG states that a wide range of complementary uses can, if suitably located, help to support the vitality and viability of town centres. These include residential, employment, office, commercial, leisure/entertainment, healthcare and educational development. Evening and night-time activities also have the potential to increase economic activity within town centres and provide additional employment opportunities.
- 2.10 The PPG (paragraph 004) sets out the importance of evidence-based strategies and visions for town centres to help establish their role and function over the plan period, the need for new retail, leisure and town centre uses, and other interventions. However, given the uncertainty in forecasting long-term retail trends and consumer behaviour, the PPG states that forecasts "**...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed**"<sup>5</sup>. In those cases where development cannot be accommodated in town centres, the PPG requires planning authorities to plan positively to identify the most appropriate alternative strategy for meeting the identified need, having regard to the sequential and impact tests<sup>6</sup>. The PPG also sets out several Key Performance Indicators (KPIs) that "may be relevant in assessing the health of town centres, and planning for their future"<sup>7</sup>.

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<sup>4</sup> Paragraph: 007 Reference ID: 2b-007-20190722. Also refer to: Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

<sup>5</sup> Paragraph: 004 Reference ID: 2b-004-20190722

<sup>6</sup> Refer to Paragraph: 005 Reference ID: 2b-005-20190722. Paragraph 010A ID: 2b-010-20190722 also provides a checklist for local planning authorities to consider when applying the sequential test.

<sup>7</sup> Paragraph: 006 Reference ID: 2b-006-20190722

### *Use Classes Order & Permitted Development Rights*

- 2.11 The Government has issued a series of reforms to the planning system since 2020 that are relevant to this study. The reforms principally relate to Permitted Development Rights (PDR) and the Use Classes Order (UCO), alongside the Government's White Paper "Planning for the Future" (published in August 2020) and the 2021 Planning Reform Bill.
- 2.12 The new UCO came into effect from 1st September 2020 and is relevant to the Council's plan-making and decision-taking on new retail, leisure and town centre uses. The new UCO amended and revoked a number of use classes under the 1987 Order and has replaced them with much broader use classes. In summary, the main reforms introduced by the new UCO include<sup>8</sup>:
- a new Class E (commercial, business and service uses): which subsumes the former Use Classes A1 (shops), A2 (financial and professional services) and A3 (restaurants and cafés). It also incorporates: the former Class B1 (commercial, business and service uses), comprising office, research and development and light industry; Class D1 (non-residential institutions) in part, comprising medical or health services, clinics, crèches, day nurseries and day centres; and Class D2 (assembly and leisure) in part, comprising gyms or areas for indoor recreation.
  - a new Class F1 (learning and non-residential institutions): which includes some of the former uses under Class D1 (non-residential institutions), including museums, public libraries, art galleries, schools, and places of worship.
  - a new Class F2 (local community uses): which comprises (former Class A1) shops defined as being "...not more than 280 sqm mostly selling essential goods, including food, and at least 1km from another similar shop". This Use Class also includes former Class D2 (assembly and leisure), such as meeting places/halls, indoor/outdoor swimming baths, skating rinks, and outdoor sport and recreation.
  - an extension to the Sui Generis uses (which fall outside the specified use classes) to include the former Use Classes A4 (pubs and drinking establishments) and A5 (hot food takeaways). It also incorporates some uses previously classified under D2 (assembly and leisure), including cinemas, concert halls, live music venues, bingo and dance halls.
- 2.13 Changes of use within a defined Use Class are not considered to be development and as such so not normally require planning permission. As a result, the ability to restrict the use of an existing premises to retail or another specific town centre use has now been largely removed.
- 2.14 The Government also issued the new PDR on 1<sup>st</sup> August 2021<sup>9</sup> that permits the change of Class E to Class C3 (residential), subject to prior approval applications. This PDR replaces the two existing commercial to residential PDRs under Class O (office to residential) and Class M (conversion of shops, financial services, betting offices and pay day loan or mixed uses to residential), with a new Class MA. In launching the PDR the Government stated that the regulations will give "...greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings"<sup>10</sup>. The PDR (Class MA) does contain some conditions and limitations, such as: (i) it only applies to buildings that have been vacant for a least three continuous months; and (ii) it does not apply to buildings with a cumulative floorspace of

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<sup>8</sup> It should be noted that reference is also made throughout this study to classifications defined by the previous 1987 UCO.

<sup>9</sup> Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021

<sup>10</sup> PM: Build, Build, Build - PM Boris Johnson has announced the most radical reforms to our planning system since the Second World War (Prime Minister's Office, 10 Downing Street, 30/06/2020)



more than 1,500 sqm. Although it does not apply to Listed Buildings, it can be applied in a Conservation Area (subject to an impact assessment if it involves converting the ground floor).

#### **Article 4 Directions**

- 2.15 Article 4 Directions are a tool used by local authorities to remove national permitted development rights, if warranted and supported by robust evidence.
- 2.16 The Government supports the use of Article 4 Directions in a “highly targeted way” to protect core high street areas whilst not restricting the ability for much needed housing to be delivered.
- 2.17 Camden Council has already used Article 4 Directions to remove the permitted development right (Class MA) that would have allowed changes of use from Class E to residential without the submission of a full planning application. They apply to nearly 1,000 shops, services and clusters of employment use in the Central Activities Zone and Knowledge Quarter and around 700 premises in the north of the Borough.
- 2.18 A separate Article 4 Direction requires any change of use from launderette to residential to be the subject to a planning application at 7 locations within the borough.

#### **DEVELOPMENT PLAN CONTEXT**

- 2.19 Development Plan Documents (DPDs) are defined in the Local Plan Regulations 2012 (as amended). The DPDs guide the development and use of land, allocate sites for development and provide strategic and development management policies to support and manage growth. The adopted DPDs for the London Borough of Camden are as follows and are reviewed below:
- The London Plan;
  - Camden Local Plan 2016 – 2031;
  - Camden Site Allocations 2013;
  - Euston Area Plan;
  - Fitzrovia Area Plan; and
  - Adopted/Approved Neighbourhood Plans – Camley Street; Dartmouth Park; Fortune Green & West Hampstead; Hampstead; Highgate; Redington and Frognal.
- 2.20 The Camden Planning Guidance ‘Town Centres and Retail’ (January 2021) has also been adopted as a Supplementary Planning Document (SPD).
- 2.21 Other documents that may be relevant are:
- Euston Plan (proposed updates); and
  - Previous studies of Camden’s retail centres.

#### **The London Plan (2021)**

- 2.22 The London Plan 2021 is the Spatial Development Strategy for Greater London which sets out an integrated economic, environmental, transport and social framework for London over the next 20-25 years. Chapter One sets out the Mayor’s vision for “Good Growth”, which is defined as “growth that is socially and economically inclusive and environmentally sustainable”. The London Plan Key Diagram presents the spatial vision, covering London’s growth corridors, Opportunity Areas, town centres, Green Belt and Metropolitan Open Land. Chapter Two sets out the overall spatial development pattern for London, focusing on the growth strategies for specific places in London and

how they connect with the wider South East region. Chapters 3-12 provide the topic-specific policies that are required to deliver the “Good Growth” objectives.

- 2.23 The plan includes a number of policies which relate to retail and town centres. The London Plan (Annex 1 and Table A1.1) defines the West End (in Westminster and Camden boroughs) as an International Centre meaning it provides a broad range of high-order comparison and specialist shopping, interspersed with internationally-recognised leisure, culture and heritage and tourism destinations.
- 2.24 Kilburn Town Centre (TC) (in Camden and Brent boroughs) and Camden Town town centre (TC) are classified as Major centres, which typically contains over 50,000 sqm of retail, leisure and service floorspace with a relatively high proportion of comparison goods relative to convenience goods. The centres would be expected to have a borough-wide catchment.
- 2.25 The London Plan also identifies five District Centres in Camden – Cricklewood, Hampstead, Kentish Town, Swiss Cottage/Finchley Road and West Hampstead. These are seen as centres that provide convenience goods and services and social infrastructure for more local communities.
- 2.26 There are four areas identified as Central Activity Zone (CAZ) retail clusters – Euston Road (part), High Holborn/Kingsway, King’s Cross/St Pancras and Tottenham Court Road.
- 2.27 Various centres are seen as having growth potential in terms of commercial uses, which includes town centres with moderate levels of demand for retail, leisure or office space and with physical and public transport capacity to support it. Centres with potential for growth from residential development are also identified, as are centres within Strategic Areas for regeneration. The most important areas for night-time economies are also classified.
- 2.28 For Camden this can be summarised as follows:
- **The West End** is an International Centre, within the NT1 night-time economy classification with high potential for commercial growth and incremental residential growth.
  - **Kilburn** is a Major Centre within the NT3 night-time economy classification, with low commercial growth potential and medium residential growth potential. The centre is within a strategic area for regeneration.
  - **Camden Town** is a Major Centre within the NT1 night-time economy classification, with high commercial growth potential and medium residential growth potential. The centre is within a strategic area for regeneration.
  - **Cricklewood** is a District Centre within the NT3 night-time economy classification, with medium commercial growth potential and high residential growth potential. The centre is within a strategic area for regeneration. However, the majority of the town centre is within the LB of Brent and that within Camden is designated as a Neighbourhood Centre;
  - **Hampstead** is a District Centre within the NT3 night-time economy classification, with low commercial growth potential and incremental potential for residential growth.
  - **Kentish Town** is a District centre within the NT3 night-time economy classification, with low potential for commercial growth and high potential for residential growth. The centre is within a strategic area for regeneration.
  - **Swiss Cottage/ Finchley Road** is a District Centre within the NT2 night-time economy classification, with low potential for commercial growth and high potential for residential growth. The centre is within a strategic area for regeneration.
  - **West Hampstead** is a District Centre with low potential for commercial growth and medium potential for residential growth. The site is within a strategic area for regeneration.
  - **Euston Road (part)** is classified as a CAZ retail cluster, with medium potential for commercial growth and potential for incremental residential growth. The site is within a strategic area for regeneration.

- **High Holborn/Kingsway** is classified as a CAZ retail cluster, with high potential for commercial growth and potential for incremental residential growth. The site is within a strategic area for regeneration.
- **King's Cross/St Pancras** is classified as a CAZ retail cluster, and within the NT2 night-time economy classification. It has high potential for commercial growth and potential for incremental residential growth. The site is within a strategic area for regeneration.
- **Tottenham Court Road (part)** is classified as a CAZ retail cluster and within the NT1 night-time economy classification. It has medium potential for commercial growth and potential for incremental residential growth.

2.29 The relevant London Plan policies are set out below:

2.30 **Policy GG5 Growing a Good Economy** states that those in planning and development must promote the strength and potential of the wider city region and ensure that the London's economy diversifies.

2.31 The London Plan "**Opportunity Areas**" (**OAs**) (**Policy SD1**) are identified as having the greatest potential to accommodate substantial new housing, commercial development and infrastructure (of all types), linked to existing or potential improvements in public transport connectivity and capacity. Each OA (listed in Table 2.1 of the plan) typically has capacity for at least 5,000 net additional jobs or 2,500 net additional homes, or a combination of the two.

2.32 **Policy SD4 The Central Activities Zone (CAZ)** states that the role of the CAZ is based on an agglomeration and rich mix of strategic functions and local uses and this should be promoted and enhanced. Part N requires boroughs to define the detailed boundaries of the CAZ, town centres and other designations shown in Figure 2.16 and to develop locally sensitive policies to meet the Plan's objectives for the CAZ.

2.33 **Policy SD6 Town Centres and High Streets** Policy SD6 Town Centres and High Streets supports the vitality and viability of London's town centres. The key themes in Policy SD6 include encouraging strong, resilient, accessible and inclusive hubs with a diverse range of uses that meet the needs of Londoners, including main town centre uses, night-time economy, civic, community, social and residential uses (A(1)). The role of town centres as a main focus for Londoners' sense of place and local identity should be strengthened (A(4)) and town centres should be the primary location for commercial activity beyond the CAZ (A(5)). Part B supports the need for "adaption and diversification" and the management of vibrant daytime, evening and night-time economies should be promoted (Part F). The potential for new housing is also recognised.

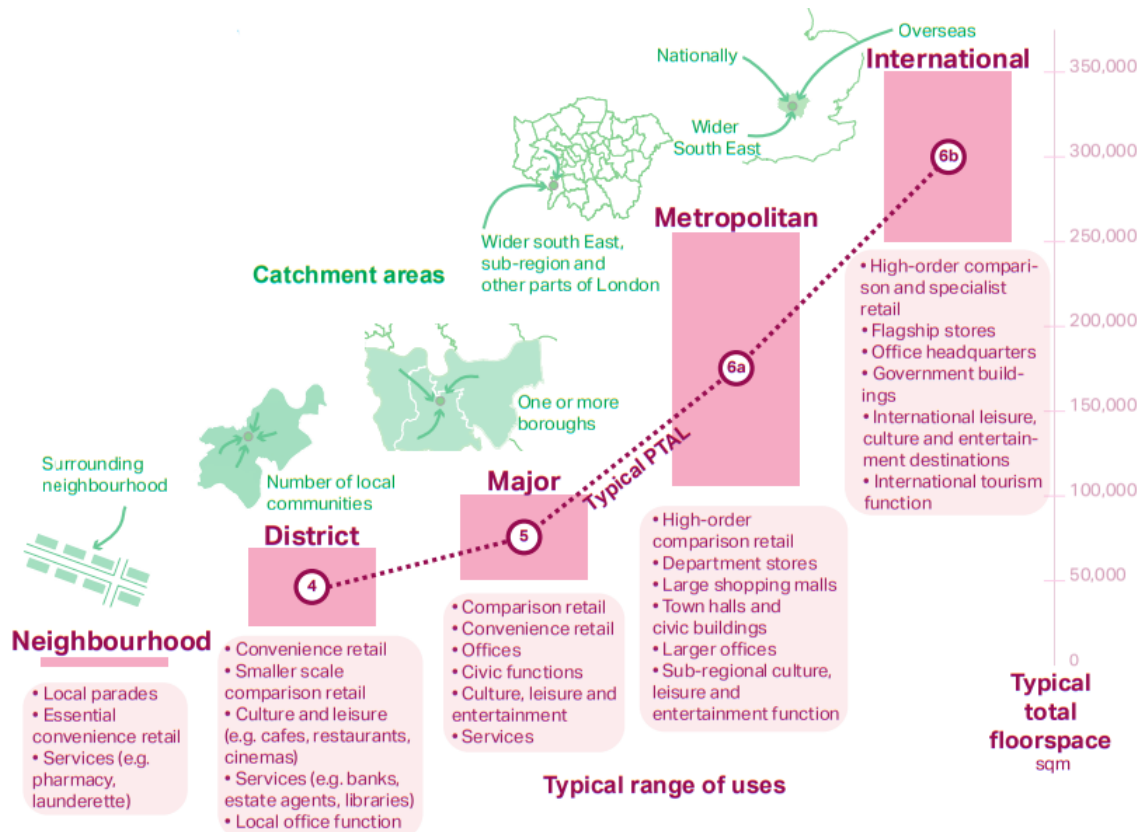
2.34 **Policy SD7 Town Centre: Development Principles and Development Plan Documents** takes a town centres first approach and discourages out-of-centre development of main town centres uses through the application of the sequential and impact tests. It also includes that Development Plans should assess need for main town centre uses, allocate sites to accommodate identified need within town centres and should allocate appropriate edge-of-centres sites if suitable and viable town centres sites are not available. Development Plans should also define the detailed boundary of town centres in policy maps. Consider the protection of out-of-centre high streets and develop policies through strategic and local partnerships approaches, in accordance with other town centre policies. Development Plans should also develop policies for edge-of-centre areas, revising shopping frontages where required, identify centres that have particular scope to accommodate new commercial and housing growth having regard to the growth potential set out in Annex 1 of the London Plan.

2.35 **Policy SD8 Town Centre Network** recognises that the roles of town centres are changing and require active management in relation to the town centre network as a whole (Figure 2.17 and Annex 1). The classification of higher order centres can only be changed through the London Plan (West End,

Camden Town TC and Kilburn) but district, local and neighbourhood centres and CAZ Retail Clusters can be brought forward through Local Plans.

- 2.36 The role of different types of centres is set out and summarised in Figure 2.18 – Town centre classifications (reproduced below) and the broad policy guidelines for individual centres is set out in Annex 1.

**Figure 2.1: Town Centre Classifications**



Source: London Plan 2021, Figure 2.18

- 2.37 **Policy SD9 Town Centres: Local Partnerships and Implementation** states that strategic and local partnerships should be supported and encouraged to develop strong, resilient and adaptable town centres. Part B encourages the development of Town Centre Strategies with particular emphasis placed on centres undergoing transformative change, have projected declining demand, have significant infrastructure planned or are identified as future potential centres in Table A1.1. Part C states that regular town centre health checks should be undertaken to inform policy; and Part D covers the introduction of Article 4 Directions where appropriate and justified to remove PDR to sustain town centre vitality and viability.
- 2.38 **Policy SD10 Strategic and Local Regeneration** provides mayoral support for regeneration and requires Boroughs to (1) identify strategic areas for regeneration in Local Plans (as illustrated in Figure 2.19) and (2) to identify Local Areas of Regeneration, taking into account local circumstances.
- 2.39 **Policy E9 Retail, markets and hot food takeaways** states that in preparing or reviewing Development Plans, Boroughs should: (i) identify future requirements and locations for new retail development; (ii) identify areas for consolidation of retail space where this is surplus to requirements;

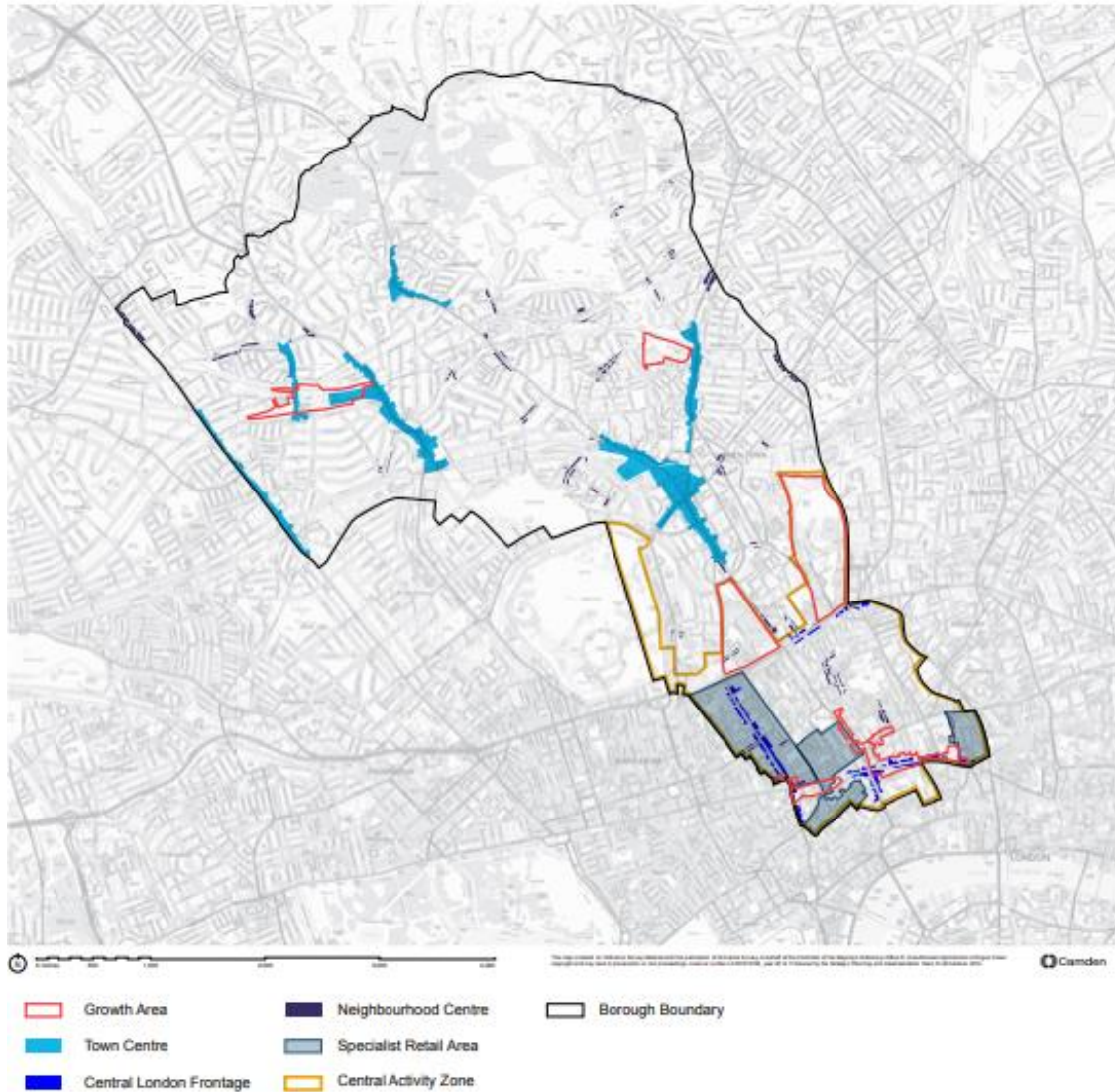
and (iii) set out policies and site allocations to secure an appropriate mix of shops and other commercial uses, informed by local evidence and town centre strategies.

- 2.40 Part C sets out further requirements for Development Plans and proposals, namely (1) bringing forward capacity for additional comparison goods in Metropolitan town centres; (2) supporting convenience retail in all town centres and particularly District, Local and neighbourhood centres; (3) providing a policy framework to enhance local and neighbourhood shopping facilities and preventing the loss of essential retail facilities; (4) identifying areas that are under-served and supporting the provision of additional facilities; (5) supporting London's markets; (6) managing existing edge-of-centre and out-of-centre retail (and leisure) by encouraging comprehensive redevelopment for a diverse mix of uses in line with Policies SD6-SD9 and (7) managing cluster of retail and associated uses having regard to their positive and negative impacts.
- 2.41 Parts D and E state that where development proposals contain hot food takeaway uses, these should not be permitted within at 400 metres of entrances/exits to schools, or a locally determined boundary. Boroughs should also manage the over-concentration of A5 hot food takeaway uses within town centres and elsewhere through the use of locally-defined thresholds. Where permitted hot food takeaways should be encouraged to comply with the Healthier Catering Commitment standards. Finally, Part F states that development proposals involving the redevelopment of surplus retail space should support other planning objectives and include alternative town centre uses on the ground floor where viable (in accordance with Policy SD7).
- 2.42 **Policy E10 Visitor Infrastructure** seeks the strengthening of London's visitor economy and associated employment. This includes conserving, enhancing and promoting the special characteristics of major clusters of visitor attractions; ensuring a sufficient supply of serviced accommodation; the provision of high quality convention facilities in town centres and in and around the CAZ; promoting strategically important serviced accommodation in Opportunity Areas and smaller-scale provision elsewhere in the CAZ and town centres.
- 2.43 **Policy HC6 Supporting the night-time economy** states that Boroughs should develop a vision for the night-time economy, supporting its growth and diversification, in particular within strategic areas of night-time activity (Zone NT1 and NT2), building on the Mayor's vision for Labour as a 24 – hour city. Within the policy it also states that NT3 areas are areas with more than local significance. Part B states that Development Plans, town centre strategies and planning decisions should:
- Promote the night-time economy, where appropriate, particularly in the CAZ, strategic areas of night-time activity and town centres where public transport is available;
  - Improve access, inclusion and safety, to make places more welcoming for all night-time economy users and workers;
  - Diversify the range of night-time economies, including extending the hours of existing daytime facilities;
  - Address the issues arising from cumulative impacts including anti-social behaviour;
  - Ensure night-time venues are well-served with safe and convenient night-time transport; and
  - Protect and support evening and night-time cultural venues.

**Camden Local Plan 2016 - 2031**

- 2.44 The current Local Plan was adopted in July 2017 and sets out planning policies to support the strategic objectives set by the Council to achieve the vision for the borough over a 15 year period. These objectives include:
- Supporting the successful development of town and neighbourhood centres and the retail areas in central London; and
  - Supporting and promoting the successful development of growth areas including King's Cross, Euston, Tottenham Court Road, Holborn, West Hampstead, Kentish Town Regis Road and Central London.
- 2.45 The main provisions and policies relevant to this study are briefly summarised below:
- 2.46 **Policy G1 Delivery and location of growth** which includes support for c30,000 sqm of retail floorspace. The supporting text and Map 1 also identify the growth areas, town centres, Central Activity Zone and Intensification Areas.
- 2.47 **Policy C4 Public houses** which seeks to protect public houses which are of community, heritage or townscape value.
- 2.48 **Policy E3 Tourism** which recognises the importance of the visitor economy and supports tourism development and visitor accommodation, with large-scale development to be located within the growth areas of King's Cross, Euston, Tottenham Court Road and Holborn and smaller scale development in 5 district centres (not Hampstead).
- 2.49 **Policy TC1 Quantity and location of retail development** which seeks to focus new shopping and related uses in Camden's designated growth areas and existing centres. This includes:
- Approximately 30,000 sqm net of additional retail (A1 to A5) in the King's Cross / St Pancras Growth Area;
  - Approximately 16,450 sqm net of additional retail (A1 to A5) in the Euston Growth Area;
  - Additional provision as a result of redevelopment proposals in the growth areas of Tottenham Court Road, Holborn and West Hampstead;
  - Limited additional provision in the Kentish Town Growth Area;
  - Significant additional provision in Camden Town TC and additional provision in other town centres;
  - Significant provision in the Tottenham Court Road Central London Frontage (CLF) and additional provision in the other CLFs;
  - Appropriate provision in the Neighbourhood Centres and Specialist Shopping Areas (SSA).
- 2.50 The policy makes it clear that retail floorspace is expected to be supported by a range of other town centre uses, including food, drink and entertainment uses. It also requires a sequential approach for the development of retail and other town centre uses and sets a retail impact threshold of 2,500 sqm or more for new development. Map 7 identifies Camden's centres and is reproduced below:





Source: Camden Local Plan, Map 7

2.51 **Policy TC2 Camden's Centres and other shopping areas** policy promotes successful and vibrant town centres within the borough that serves residents, workers and visitors. The Council seeks to:

- Protect and enhance the role and unique character of each of Camden's centres, ensuring that new development is of an appropriate scale and character for the centre in which it is located;
- Provide for and maintain, a range of shops including independent shops, services, food, drink and entertainment and other suitable uses to provide variety, vibrancy and choice;
- Make sure that food, drink, entertainment and other town centre uses do not have a harmful impact on residents and the local area and focusing such uses in King's Cross and Euston Growth areas, Central London Frontages, and Town Centres;
- Support and protect Camden's Neighbourhood Centres, markets and areas of specialist shopping, local shops; and
- Pursue the individual planning objectives for each centre, as set out in supplementary planning document Camden Planning Guidance on town centres and retail.

2.52 The policy also seeks to protect the primary and secondary shopping frontages defined on the Policies map, with the expected mix and balance of uses within frontages for each centre set out in Appendix 4. Housing is supported in the centres, provided it does not prejudice the town centre function and

particularly the ability of ground floor space to be let for town centre uses and residential uses in protected frontages will only be permitted where it does not harm the role and character of the centre, including maintaining the supply of shop premises.

- 2.53 The policy also seeks to retain convenience uses in Neighbourhood Centres and Appendix 4 indicates large scale retail developments over 1,000 sqm and late night licensed entertainment will not normally be considered appropriate in these locations. Small scale food and drink (less than 100 sqm) that serves a local catchment would however be considered suitable.
- 2.54 **Policy TC3 Shops outside of Centres** which seeks to protect shops outside of town centres.
- 2.55 **Policy TC4 Town Centre Uses** which seeks to ensure that the development of shopping, services, food, drink, entertainment and other town uses does not cause harm to the local character, function, vitality and viability of a centre, the local area or the amenity of neighbours and sets out the criteria that will be considered, including:
- the effect of development on shopping provision and the character of the centre in which it is located;
  - the cumulative impact of food, drink and entertainment uses;
  - the Council's expectations for the mix and balance of uses within frontages for each centre are set out in Appendix 4;
  - the individual planning objectives for each centre, as set out in the supplementary planning document Camden Planning Guidance on town centres and retail; and
  - impacts on small and independent shops and impacts on markets.
- 2.56 **Policy TC5 Small and Independent Shops** which promotes the provision of small shops spaces for small and independently owned businesses.
- 2.57 **Policy TC6 Markets** which seeks to protect and promote markets within the borough, including resisting the permanent loss of market uses unless replacement provision is made and supporting new markets.

### ***Camden Site Allocations 2013***

- 2.58 This document, adopted in 2013 provides guidance on the development of sites identified for development within the borough. Key site allocations relevant to this study, comprise:
- **King's Cross and St Pancras Area** where a number of major development sites have been identified, including the **King's Cross Opportunity Area** for which a Planning Brief was adopted in 2004 and various outline planning applications approved. An appropriate balance of retail and food and drink uses within and around the stations is supported.
  - **Euston Area** where retail uses appropriate to a Central London location are supported in the Euston Station area.
  - **Central London** which is recognised as being a key part of the nation's capital and a major international city and a significant retail centre with CLFs, neighbourhood centres and specialist shopping areas. The importance of other uses such as food and drink, cultural and tourism uses are also recognised. Specialist activity areas such as Hatton Garden are to be promoted. Identified development sites include a number within **the Tottenham Court Road, High Holborn** areas. Aspirations for the latter include the provision of appropriate retail and service uses in the CLF to introduce retail uses where the frontage is currently broken up. Central London also includes **Fitzrovia**.



- **West Hampstead and Swiss Cottage** where development for a mix of uses is supported. Support is also given to the core shopping area but the location and concentration of food, drink and entertainment uses will be controlled to avoid harm to amenity and the retail function of the centre, in accordance with the Council's planning guidance for the area. Sites at **187-199 West End Lane (Site 27)** and **156 West End Lane (Site 28)** are identified for mixed use development with appropriate town centre uses to be provided. The **O2 Centre Car Park (Site 29)** is allocated for residential and retail development with the latter to enhance Finchley Road Town Centre and be of an appropriate scale, whilst not detrimentally affecting West Hampstead town centre. Land at **100 Avenue Road, Swiss Cottage (Site 30)** is also identified for development including retail, food and drink uses or other town centre uses.
- **Camden Town Area** where the protection of the special character and attractiveness of the centre is a key objective. This includes continuing the provision of small shop units, with flexible and affordable letting approaches encouraged to bring forward more diverse and independent retailing, to serve the wider community as well as tourists. Achieving a balance between retail and leisure uses in accordance with the Planning Guidance for the area is noted and a well-managed night-time economy is supported. Camden Town's markets are also protected. Site allocations include **Hawley Wharf (Site 32)** where retail (including market uses) and other appropriate town centre uses are proposed, with integration with the town centre an important consideration.

### ***Euston Area Plan***

2.59 The Euston Area Plan was adopted by the Council in 2015 and sets out the development strategy for the area. The area covered includes part of the King's Cross/ Euston Road Central London Frontage as well as Drummond Street, Albany Street/ Robert Street, Chalton Street and Eversholt Street neighbourhood centres. Policies include:

- **Strategic Principle EAP1**, which includes support for around 20,000 sqm of new and re-provided retail floorspace which is to be focused towards the Euston Station site and the Euston Road CLF. Smaller scale retail development in neighbourhood centres and along key streets is supported.
- **Development Principle EAP 1: Euston Station and tracks** includes an illustrative masterplan for the area, including the main retail frontages and areas for commercial, mixed-use development (Figure 4.3). The station site is to provide a balance of A1 retail and A2-A5 use.
- **Development Principle EAP 4: Drummond Street & Hampstead Road** which seeks to protect and enhance the Drummond Street neighbourhood centre.

2.60 The Plan also includes a list of development sites.

2.61 The Plan is currently the subject of a review and update to reflect development progress and the approval of the first phase of HS2 construction (see below).

### ***Fitzrovia Action Area Plan***

2.62 The Fitzrovia Action Area Plan was adopted by the Council in 2014 and includes the following designated shopping areas:

- Tottenham Court Road / Charing Cross Road CLF
- Store Street, Gode Street and Cleveland Street Neighbourhood Centres.

2.63 Development Principles include **Principle 5** which will guide development of large A1 shops and food, drink and entertainment uses to the CLF on Tottenham Court Road and New Oxford Street. Small scale and low impact food, drink and entertainment will be allowed elsewhere and the Council will support independent and specialist shops as an element of Fitzrovia's character and function.

2.64 The plan also provides detailed development proposals for the allocated development sites in the Plan area.

### **Neighbourhood Plans (NP)**

2.65 Camden has a large number of approved Neighbourhood Plans within the borough, many of which include policies relevant to retail and other town centre uses. These are detailed below:

- **Camley Street (2019 – 2034)** covers the area between Camden Town and King's Cross and was 'made' in July 2021. It does not contain any policies directly related to retail provision or other town centre uses;
- **Dartmouth Park NP** covers the predominantly residential area to the east of Parliament Hill and was adopted in March 2020. It includes four neighbourhood shopping centres – Swain's Lane, York Rise/Chetwynd Road, Highgate Road and Chester Road. **Policy CE1 Supporting Neighbourhood Centres** seeks to retain and support these centres by resisting the loss of A1 retail floorspace, ensuring that at least 80% of units and businesses provide local shopping and services, ensuring new units (other than public houses and restaurants) do not exceed 100 sqm and that any development encourages independent businesses or encourages new ones. **Policy CE2 Intensification of Neighbourhood Centres** seeks to intensify provision through the use of upper floors for housing, offices, workshops and working studios (Class B1) and community facilities (Class D1) subject to certain restrictions.
- **Fortune Green & West Hampstead NP** was adopted in September 2015, with one of the objectives being to promote and support a successful economy with thriving town and neighbourhood centres. Finchley Road and West Hampstead town centres and Fortune Green Road and Mill Lane Neighbourhood Centres are all located within the NP area. **Policy 4: West Hampstead Growth Area** promotes a mix of uses in the area but does not allocate any specifically, instead noting the site allocations in the Council's Sites Allocation DPD. **Policy 13: West Hampstead Town Centre** requires development to preserve or enhance the village character of the Town Centre as a mixed retail area with a diverse range of shops and businesses and the development of small/independent shops and businesses, including affordable space is supported. **Policy 14: Mill Lane Neighbourhood Centre** seeks to preserve or enhance the centre and promote a diverse range of shops, businesses and economic activity. Proposals to convert ground floor retail/business space into residential uses will not be supported. **Policy 15: Fortune Green Neighbourhood Centre** supports development that will enhance or preserve the character of the centre and provide a diverse range of shops, businesses and economic activity.
- **Hampstead NP 2018 – 2033** was adopted in 2018 and includes Hampstead Town Centre and South End Green Neighbourhood Centre. **Policy EC1: Healthy retail mix** supports development that enhances the vitality and viability of the centres, including providing offices and retail at first floor and preserving small shop and retail premises.
- **Highgate NP** was adopted in 2017 by both Camden and Haringey Councils and includes Highgate town centre, which is split across the two borough areas and defined as a Neighbourhood Centre within Camden. **Core Objective 2: Economic Activity** seeks to maintain the vitality and viability of the area's commercial cores so that they continue to meet the day to day needs of the community and **Policy EA1: Highgate Village Core** seeks to protect A1 retail uses and provide active frontages. **Policy EA2: Loss of Change of Use of business premises from Highgate Village Core** requires that any application proposing the loss of A Class A or B use must not result in an unacceptable impact on the vitality and viability of, and employment opportunities within the shopping area.
- **Kentish Town NP** was adopted in 2016, with **Policy SW1: Supporting Small Business** supporting the retention and increase in floorspace for the use of small businesses. **Policy SW2: Protection of Secondary Shopping Frontages** seeks to retain retail uses in secondary areas, with marketing and financial viability reports required to support applications for a change of use from retail. **Policy SW3: Consecutive Secondary Shopping Frontages** also seeks to prevent more than two consecutive units being converted to non-A1 use, with applications for changes of use again to be supported by marketing and financial assessments. **Policy CC3: Protection**

**of Public Houses** supports the retention of specified public houses because of their value to the local community and **Policy CC4: Protection of Shops outside the Centre** specifies a small number of stores that should be protected given alternative provision is more than 5-10 minutes walk away.

- **Redington Froggnal NP 2021 to 2045** was adopted in 2021 and includes part of the Finchley Road /Swiss Cottage Town Centre. However, the only retail related policy contained in the NP relates to shop fronts (Policy FR).

### ***Camden Planning Guidance – Town Centres and Retail (CPG TCR)***

2.66 This Planning Guidance was prepared by the Council in 2021 and supports the policies set out in the Local Plan. It provides detailed guidance as to how the Council will implement its policies for town centres and retail development and includes area specific information for each centre. This is summarised in the attached health checks for each centre.

### **OTHER MATERIAL CONSIDERATIONS**

2.67 Other documents that do not form part of the adopted Development Plan but are relevant to the current review comprise the following:

#### ***Euston Area Plan (proposed updates)***

2.68 A draft Euston Area Plan (EAP) Update has been prepared by the Council to reflect stakeholders' emerging plans for the area, including HS2 construction. It updates the vision for the Euston area, looking ahead to 2047 (previously 2031) and was consulted on in January 2023. Once adopted it will supersede the 2015 version of the EAP but at the moment work has been paused following the Government's announcement in March 2023 to pause most of the works associated with HS2 at Euston.

#### ***Retail and Town Centre Evidence Base***

2.69 The retail and town centre policies contained in the current adopted Local Plan for Camden were informed by the Retail Town Centre (RTCS) 2013, which was prepared by GVA. As with the CPG TCR, findings relevant to the centre and retail capacity assessment are summarised within the relevant parts of this report.

#### ***Emerging Site Allocations Plan***

2.70 The Draft Site Allocations Plan originally published in 2020, was intended to replace the 2013 Site Allocation Plan and identifies a number key development sites and individual sites across the LB of Camden. It was consulted on in early 2020 and again in 2022, and includes the following sites for potential retail and town centre uses<sup>11</sup>:

- **Camden Goods Yard** which promotes redevelopment of a number of major sites in and adjacent to Camden Town town centre, to provide around 1,200 new houses and new employment and commercial development. The site allocation includes areas within the current town centre boundary, including the Morrisons foodstore, which is seen as a key site to deliver the Council's aspirations for the area. The site is allocated for around 573 new homes, employment, retail, food and drink, community and leisure uses (Policy CGY2). The redevelopment of this site is expected to be the main area where additional retail and market space would be provided and includes a requirement to reprovide a supermarket.
- The associated **petrol filling station** site is proposed for mixed use redevelopment including retail and café/restaurant uses at ground floor level (Policy CGY3).

<sup>11</sup> [www.camden.gov.uk/draft-site-allocations-consultation](http://www.camden.gov.uk/draft-site-allocations-consultation)

- **Land at 100 Chalk Farm Road** is proposed primarily for employment uses but is expected to include complementary town centre uses as a means of activating the street and adding to the character of Camden Town town centre (Policy CGY4).
- **Camden Lock Market and the Interchange** which is allocated for additional market and appropriate employment uses such as maker spaces and the creative industries (Policy CGY8).
- **Holborn and Covent Garden Area** which covers a number of separate sites within the wider area. Proposals include encouraging the provision of retail, food, drink, entertainment and service uses in the area's Central London Frontage, taking opportunities to introduce ground floor town centre uses where the continuity of the frontage is currently broken and avoiding large-scale office or residential lobbies that lead to the fragmentation of retail frontages (Policy HCG1). A hotel is included within the proposals for the former Central St Martins College site at Southampton Row / Red Lion Square (Policy HCG2), with a second included at the 1 Museum Street site (Policy HCG3).
- In **Kentish Town**, land to the west and north-west of Kentish Town Station is identified as a key development area for the borough. It includes an allocation for 369-377 Kentish Town Road for residential and retail/restaurant development.
- **West Hampstead Interchange Area** which includes proposals for town centre uses including retail (Policy WHI1). It includes redevelopment plans for the O2, car park and showrooms (Policy WHI2) and at 156 West End Lane (Policy WHI5b).
- **Network Building and 88 Whitfield Street** (Tottenham Court Road CLF) which includes office and retail led development (Policy IDS1).
- **Central Cross, 18-30 Tottenham Court Road** which seeks to retain existing retail and cinema uses (Policy IDS3).
- **Buck Street Market, 192-200 Camden High Street** which allocates the site predominantly for market use (Policy IDS7) but could include suitable town centre uses.

2.71 The Plan also includes a number of sites where small scale retail and/or other town centre uses are considered appropriate at ground floor level within wider development schemes including:

- 85 Camden Road (Policy IDS4).
- Shirley House, 25-27 Camden Road (Policy IDS5).
- Camden Town over station development (Policy IDS6).
- Grand Union House, 18-20 Kentish Town Road (Policy IDS8).

2.72 The Council has decided to progress consultation on the draft Site Allocations by incorporating them as part of the Local Plan review and a draft Local Plan is to be published in early 2024). A number of the above proposed allocations are also being progressed through planning applications and are considered further elsewhere in this report where relevant.

## POLICY SUMMARY

2.73 This policy review has considered both what is required of the LB Camden as a local planning authority in terms of developing local planning policies, and the current policies that apply to town centres and main town centre uses including retail.

2.74 In summary, national and local plan policy and guidance seeks to maintain and grow the vitality and viability of centres over time by, amongst other measures, directing new investment and development to town centres first and promoting a diverse mix of sustainable uses that meet the needs of all those who live, work, shop and visit centres for a wide range of activities.

2.75 Camden has a considerable number of designated centres within its boundaries, with higher level centres defined in the London Plan. However, since they were designated there have been considerable changes in the retail and leisure offer and consumer shopping patterns. There have also

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been changes to planning at the national level and major economic upheavals affecting consumer spend and business costs. This report therefore provides an update to both the quantitative and qualitative retail and town centre evidence base to inform the Council's Local Plan review and provides advice on what changes or new policies may be required.

2.76 This follows our review of town centre and retail market trends.

### 3. RETAIL AND TOWN CENTRE TRENDS

3.1 This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail and leisure sectors over the last decade and how town centres can respond to these dynamic trends to remain competitive and enhance their overall vitality and viability in the future.

#### UK ECONOMIC OUTLOOK

3.2 The UK economy has experienced significant and unprecedented “*shockwaves*” over the last decade; including the United Kingdom leaving the European Union, the Covid-19 pandemic, and the current cost-of-living crisis.

- The impact of the pandemic saw the UK economy experience its biggest annual decline in Gross Domestic Product (GDP)<sup>12</sup> in 2020 for over 300 years (-9.9%).
- Although the economy grew by 7.6% in 2021, it fell back to 4.1% in 2022 due to the cost-of-living and energy crisis. The latest figures show that the economy has narrowly avoided recession in 2023, with a reported growth of 0.2% between April and June<sup>13</sup>. Recent independent forecasts predict limited GDP growth of 0.2% for 2023 and 0.7% for 2024<sup>14</sup>.
- High inflation is one of the main factors behind the ongoing cost-of-living crisis in the UK. Consumer Price Inflation (CPI) peaked at a 40-year high of 11.1% in October 2022, and although it had fallen back to under 5% at the time of preparing this report, it is still well above the Bank of England target rate of 2%.
- The Bank of England’s response to rising inflation has been to increase interest rates from 0.5% in February 2022 to 5.25% in August 2023. These rises are increasing mortgage costs for thousands of homeowners, and further impacting on disposable incomes.
- The pandemic raised Britain’s budget deficit<sup>15</sup> to £303 billion (or 14.5% of GDP) in 2020/21; the highest level experienced since the Second World War. This was due to the Government’s necessary financial support to public services, households and businesses during this period. The deficit was reduced to £137 billion (5.4% of GDP) in 2022/23. It is forecast to fall to a more typical level in the years after 2023/24, on the back of a predicted economic recovery and reductions in spending.
- Rising interest rates, inflation, food and energy costs have hit UK households particularly hard; particularly those on lower incomes that spend a higher proportion of their earnings on housing costs. Wage growth is also not keeping pace with inflation.

3.3 As a result of these trends, UK households are currently experiencing the biggest fall in real disposable income and living standards in decades. As we explain below, this will, have direct impacts on household spending on retail goods and leisure services, and on the sales performance of retailers and leisure operators.

#### RETAIL SPENDING

3.4 Experian Business Strategies (Experian) predicts in their latest Retail Planner Briefing Note 20 (February 2023) (‘RPBN 20’) that “*recovery over the coming years will be shaped by the after-shocks from the pandemic the extent of potential scarring to the UK’s longer term economic potential and the supply chain disruption due to shutdowns and continued Brexit impacts*”. According to Experian

<sup>12</sup> Gross domestic product (GDP) are the main measure of UK economic growth based on the value of goods and services produced during a given period.

<sup>13</sup> A recession is usually defined as when GDP falls for two three-month periods - or quarters - in a row. The last time the UK’s economy went into recession was in 2020, at the height of the pandemic.

<sup>14</sup> HM Treasury Forecasts for the UK economy: a comparison of independent forecasts <https://www.gov.uk/government/collections/data-forecasts>

<sup>15</sup> When the government spends more than it receives in tax and other revenues it “borrows” to cover the difference, the “borrowing” is known as ‘*public sector net borrowing*’ and is often referred to as the deficit (i.e. the gap between public spending and income from taxes).



spending growth over the course of 2023 is clouded by consumers' wider economic woes, namely a cost of living squeeze underpinning a decline in real personal disposable incomes and a curbing of consumer spending.

- 3.5 The implications are that this will result in a decline in real disposable incomes in 2023 and beyond over the short term to 2024. Against this backdrop the latest average GDP forecasts (May 2023) show a 0.2% growth for 2023 and a projected moderate growth to 1% in 2024 according to HM Treasury<sup>16</sup> estimates.
- 3.6 The latest Experian<sup>17</sup> forecasts for **retail spend per head** (at constant prices, ie excluding the effects of inflation) show:
- **Convenience goods:** The impact of COVID-19 resulted in a significant +10.2% surge in spend per head in 2020 but a contraction of -1.4% in 2021. This followed negative growth of -1.4% between 1997 and 2021. The overall level of negative growth in convenience goods spending in real terms has had a significant impact on the grocery sector and on retailer business models. Experian predict a fall in convenience spend in 2023 (-2.4%), and annual (per capita) growth over the medium to long term “flatlining” at around +0.1% to 2029 and +0.2% up to 2040; and
  - **Comparison goods:** the figures show year-on-year growth rates recovering from a low of 0.9% in 2012, to a high of +6.7% in 2021. This followed a contraction of -6.8 in 2020. Experian predict that (per capita) growth will settle at around +2.5% to 2029 and +3% up to 2040. The longer term growth forecast is higher than the historic long term trend (1997-2021) of +2.6% per annum.
- 3.7 These expenditure growth trends and forecasts have informed the updated assessments of retail capacity. Clearly any further dampening of growth rates over the short to medium term due to rising inflation and the cost of living crisis will have implications for the viability of existing retail businesses and the demand for new space.

### ONLINE SHOPPING

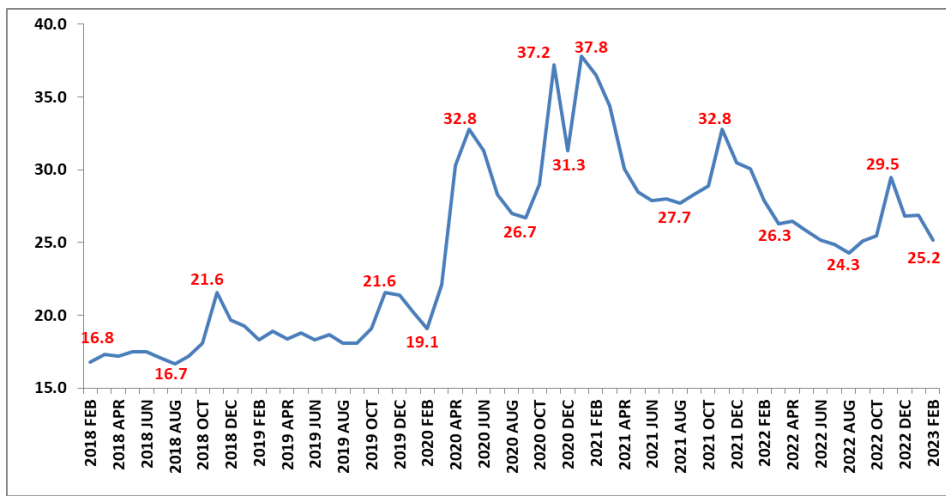
- 3.8 The growth in non-store<sup>18</sup> retail sales has undoubtedly had the most significant impact on consumer spend and behaviour over the last decade, and on our High Streets and traditional shops. ONS figures show that as a percentage of total sales, online retail sales accounted for up to 25.2% of sales in February 2023 compared with a peak of 37.8% in January 2021. The graph also shows the steep increase from 19.1% in February 2020 to 32.8% in November 2021. Overall, the trend suggests that online accounts for almost a third of the amount spent on retail goods.

<sup>16</sup> HM Treasury Forecasts for the UK economy: a comparison of independent forecasts No. 430 (May 2023)

<sup>17</sup> Source: Experian Retail Planner Briefing Note 20 (February 2023) Figures 1a and 1b.

<sup>18</sup> Non-store retailing is commonly referred to as Special Forms of Trading (SFT). This comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

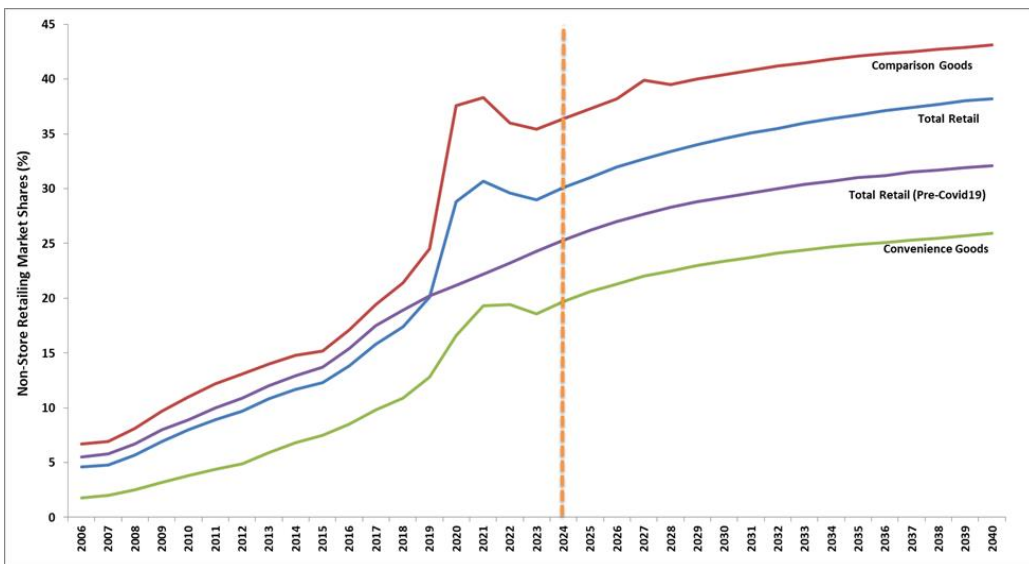
**Figure 3.1: Internet Sales as a Percentage of Total Sales (%)**



Source: ONS: Retail sales, Great Britain: February 2023

3.9 As the figure below shows, SFT’s overall market share (as a proportion of total UK retail sales) increased from 5.4% in 2006 to 28.1% in 2020. In other words, online accounted for almost one in every three pounds spent on retail goods in 2020. Of this total non-store retail sales, Experian estimate that comparison and convenience goods retailing achieved market shares of 34.1% and 18.0% respectively in 2020.

**Figure 3.2: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2006-2040 (Adjusted)**



Source: Experian Retail Planner Briefing Note 20 (February 2023) Appendix 3 and Experian Retail Planner Briefing Note 17 (February 2020); Appendix 3



- 3.10 The latest Experian forecasts indicate that total SFT market shares will increase to 38.2% by 2040. Comparison and convenience goods non-store retail sales are forecast to reach 43.1% and 25.9% respectively by 2040.
- 3.11 Experian predict that the pace of e-commerce growth will moderate over the long term as internet use is now almost at capacity. ONS statistics showed in 2020 some 92% of all UK adults have internet access and almost all of those aged between 16-44 years. Hence, Experian expect that the growth of the internet user base will be less of a driver than it has been in the past decade. Instead, generational differences in internet use will increasingly drive growth. For example, the 'Millennials' (defined as anyone born between 1981 and 1996) and 'Generation Z' (anyone born between 1997 and 2010) generations have grown up in digital environments and use technology more intensively. These groups will account for half of the adult population by the end of the 2020s (compared to 39% in 2019) and the bulk of retail and leisure spending. Their preference for online shopping could well represent the "tipping point" for the retail industry as a whole, and this will have been further accelerated by the impact of the pandemic.
- 3.12 Whatever the forecast growth in online sales and market shares, it is clear that high streets, town centres and physical retailers will need to work even harder to retain their existing customer base and attract new customers over the short (post-pandemic), medium and long term.
- 3.13 In terms of forecasting the potential capacity for new physical retail floorspace, Experian estimate that approximately 25% of all SFT sales for comparison goods and 75% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than through 'virtual' stores and/or 'dot com' distribution warehouses. On this basis, Experian adjust their SFT market shares downwards for total retail to 18.6% in 2023, 19.8% by 2025, 22.3% by 2030 and 24.5% by 2040 . These market shares are higher than Experian's pre-COVID-19 forecasts of 15% in 2022, increasing to 25.4% by 2040. In line with standard approaches these adjusted/recalibrated market share figures are preferred for retail capacity assessments and used in this assessment.
- 3.14 It is clear that the "digital revolution" and growth of online retailing has, and will continue to have, a significant impact on Britain's retailers, sales and high streets. Digital trends are constantly developing and 2023 has already been a big year for new technologies from better online gaming to Artificial Intelligence (AI)-powered tools. Some online stores have started to experiment with augmented reality (AR).
- 3.15 The "digital revolution" is also impacting on how and where people choose to spend their leisure time. The adoption of digital technology in the leisure and entertainment industry is part of this wider trend. Consumers are increasingly turning to digital platforms for entertainment, including video games, streaming services, and social media. This trend has been further accelerated by the COVID-19 pandemic, as people were forced to spend more time at home and turned to digital entertainment to pass the time.
- 3.16 Streaming services are another major contributor to the growth of the digital leisure market. Platforms like Netflix, Amazon Prime Video, and Disney+ have seen a surge in subscribers in recent years, and the sector is expected to continue to grow, albeit with some adaptations to the offer and pricing structures.
- 3.17 Social media is also a significant contributor to the growth of the digital leisure market. Platforms like Facebook, Instagram, and TikTok have become a major source of entertainment for many people, particularly younger generations. These platforms have also become important channels for advertising and marketing as companies seek to reach consumers where they spend their time.

- 3.18 In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all age and socio-economic groupings.

### STREET AND COVERED MARKETS

- 3.19 Another form of SFT are street markets, and market provision is an important element of the offer in a large number of centres in Camden and London more generally and can play a significant role in the success of town centres.

- 3.20 According to Mission4markets there are 1,173 markets in the UK, which includes traditional and specialist markets. 32,400 businesses trade on these markets and in 2017-18, had a collective turnover of over £3.1 billion - an increase of £200 million year on year since 2012.

- 3.21 The organisation also found that:

- 82% of markets are run by local authorities, 10% by private companies and the remainder are made up of trader cooperatives, social enterprises, and community interest companies;
- 81% of businesses in the sector are not registered for VAT and 77% are sole traders; and
- 48% are led by women (UK Government, 2017) compared with 21% of SMEs in the UK.

- 3.22 In London markets are considered “*part of the fabric of London life. They are at the heart of our communities and local places, and offer Londoners a diverse range of economic, social, and environmental benefits, collectively known as ‘social value’.*”<sup>19</sup>

- 3.23 The report noted that:

- The number of markets in London had risen to 280 in 2017 from 163 in 2010;
- Around 13,250 people worked in London markets, accounting for 2.8% of all jobs in London’s retail sector.
- Markets contributed £247.6 million to London’s economy in terms of gross value added, i.e. 1.3 per cent of London’s retail sector;
- There is increasing public investment in markets;
- Markets are significant assets to town centre vitality and support local businesses. They can generate footfall increases of around 25% for town centres and increase retail sales, with significant numbers (55% to 71%) of market visitors’ spending money in other shops - calculated to be worth £752 million a year to London’s shop-based retailers;
- Markets are affordable and flexible workspaces for many Londoners. Markets are a great and unique opportunity to trade, test business ideas, or showcase new products. On a per square foot basis markets provide more jobs than supermarkets;
- Markets are a great place to gain experience and offer a wide range of job opportunities to all Londoners. In 2017 London markets saw 2,500 new employees coming into the markets sector. In the same year 12% of markets have taken on apprenticeships. Markets also create opportunities for people to access, or return, to work;
- Markets help build the distinctive identity of a neighbourhood. From feeding the first settlers in an area, to becoming major centres of commerce in themselves, markets inject distinct character into different parts of London’s fabric. These specialisms have also helped to build a sense of belonging within communities;
- Markets are places of social cohesion. Regular encounters in markets can help break down stereotypes and bridge differences, enabling long-term cohesion within a diverse area; and

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<sup>19</sup> GLA “Understanding London’s Markets”

- Markets are often the best place for Londoners, including those on low incomes, to access fresh and healthy food.
- 3.24 Indoor and street markets have also provided the basis for new businesses to become established for a considerable period. The first M&S famously opened in Newcastle's Grainger Market in 1895, for example. However, there has recently been a new emphasis on empowering younger people to start out in businesses as market traders.
- 3.25 One initiative, Teenage Markets, was created to give young people a free platform to showcase their creative talents. There is now a fast-growing network of traders and performers taking part in Teenage Market events all across the UK. In October 2023, there were 56 UK locations being used for Teenage Markets, with venues including market halls, street markets and events.
- 3.26 The Teenage Market website summarises the benefits to young people and the wider community, noting "*When combined, the creative fusion of specialist retail and live performance creates a thriving and bustling marketplace which succeeds in attracting a new generation of shoppers and visitors to our nation's local markets.*"<sup>20</sup>
- 3.27 The High Street Task Force<sup>21</sup> is actively supporting Teenage Markets.
- 3.28 Markets can therefore play an important part in supporting the local economy and community and assist small businesses, including those led by women, young people and minority groups.
- 3.29 They are also particularly important in Camden. In September 2022, the Startups website<sup>22</sup> ranked 723 markets from around the UK to reveal the best locations for market stall traders. This included Camden Lock and Stables Market at No. 1 and Leather Lane at No. 24.
- 3.30 However, just like other retail businesses, markets need to adapt to meet present day needs. Traditional markets need to be modernised to make them fit-for-purpose, including meeting the hygiene standards now required for food preparation and sale.

## RETAILER BUSINESS MODELS AND REQUIREMENTS

- 3.31 The challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. Retailers have faced challenges across the supply chain, inflationary pricing, economic uncertainty and geo-political factors.
- 3.32 This has created significant challenges for traditional "bricks-and-mortar" retailing and the high street. Consequently, national multiple retailers are having to constantly review and rapidly adapt their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand. As retailers adjust to "new normal", a seamless experience and hybrid shopping are shaping the future of retail; the key trends that will impact the industry include:
- Hybrid or 'Phygital' (physical and digital) shopping – Retailers want to deliver a seamless experience across all shopping methods, including online, in-store, mobile devices, social media, and live streaming.
  - Social media sentiment monitoring is collecting and analysing information about a retailer or brand on social media. Actively engaged on social media, retailers are able to better understand data about their customers' sentiments, preferences, and attitudes toward their company and its competitors.

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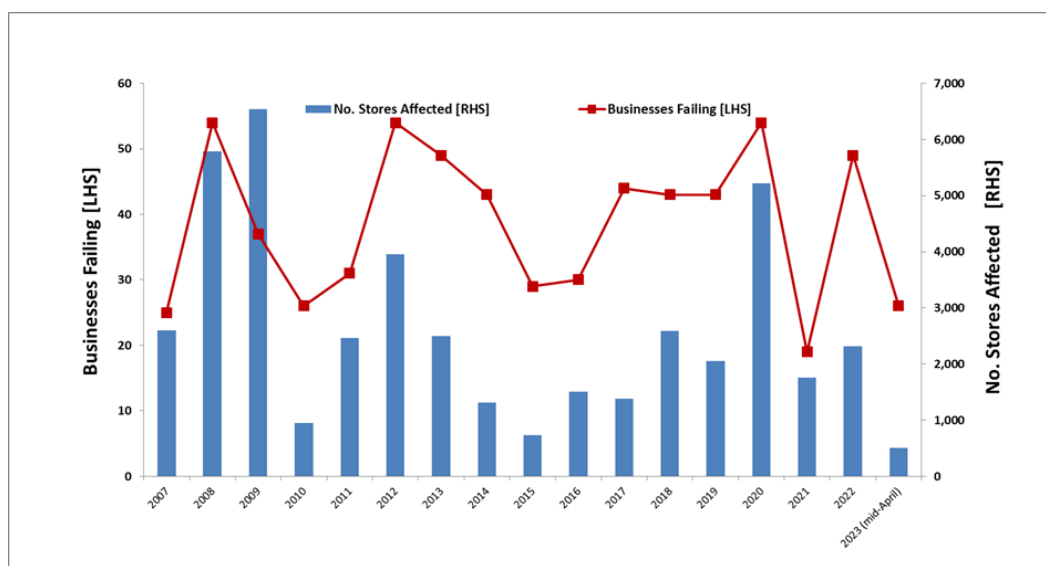
<sup>20</sup> <https://theteenagemarket.co.uk/>

<sup>21</sup> <https://www.highstreettaskforce.org.uk/>

<sup>22</sup> <https://startups.co.uk/marketing/tools/best-markets-in-uk/>

- Physical retail stores and websites are becoming increasingly crucial as sources for additional advertising revenue for retailers.
  - Changes to retail formats and design – retailers are testing different formats as well as including new offerings on the click and collect such as IKEA opening a store on Oxford Street.
  - Changes in Consumer behaviour – the growing trend in repair, recycling, reuse, and thrifting is set to grow. This is seen in the rise of the popularity of second hand shops, vintage markets, and charity shops once again. Additionally, more and more brands are championing sustainability such as:
    - IKEA has recently launched its buy-back and re-sale scheme, in an attempt to reduce the number of products going to landfill;
    - The George at Asda brand has joined forces with specialist wholesaler Preloved Vintage Kilo. The supermarket's clothing brand, will be selling second hand clothing in 50 UK stores after a successful trial in Leeds in 2021;
    - H&M were the first fashion brand to launch a global garment collection initiative in 2013, allowing customers to hand in any unwanted clothing to a H&M store; and
    - Decathlon's Second Life initiative, where repaired products (e.g. bikes, fitness equipment, kayaks, tents) are sold.
- 3.33 These dynamic trends are best illustrated by the changes in the grocery sector over the last decade. Since 2010, the top-5 main grocery operators have been Tesco, Sainsbury's, Asda, Waitrose and Morrisons who have dramatically changed their business models; their focus has been on growing market share through online sales and new smaller convenience store formats (including Tesco Express, Sainsbury's Local and Little Waitrose). As a consequence, applications for large store formats have slowed to a virtual standstill over the last decade and extant permissions have not been implemented.
- 3.34 Previously outside of the so-called top-5 grocers, the 'deep discount' food operators (namely Aldi and Lidl) have significantly increased their respective market shares through new store openings. As of September 2022, Aldi overtook Morrisons to become the UK's fourth largest supermarket for the first time, as grocery inflation hit a new record of 12.4% in August 2022. Notwithstanding this the grocery and convenience sector has had buoyant sales during the pandemic, particularly in town, district and local centres as many households have been forced to work from home and only the foodstores and 'essential stores' have been open during the series of lockdowns, including local independents.
- 3.35 The non-food retail sector has also experienced a significant impact from the rise of online shopping over the last decade, which has impacted on business models and store viability. Many well-known retailers have either closed or have significantly reduced their store portfolios.
- 3.36 Although Covid pressures on the economy may have eased, the challenges facing consumers, businesses and town centres continue to intensify. The latest industry research shows that over 2,000 closed stores in 2022 due to administration, with almost 35,000 jobs lost. This compared with 5,200 store closures in 2020, and over 109,000 job losses.

**Figure 3.3: Major Retail Failures (2007 – 2023 (mid-April))**



Source: Centre for Retail Research (2023)

- 3.37 The pandemic has accelerated the demise of a number of high profile retailers that were already struggling due to falling sales and increasing costs/debt, including Debenhams, Oasis, Warehouse, Laura Ashley, the Arcadia Group and Cath Kidston. John Lewis also announced the closure of four department stores and four 'At Home' stores.
- 3.38 National retailers with extensive high street store portfolios are struggling to maintain market shares and remain profitable in the increasingly competitive environment. The higher costs of trading from high streets compared with online and out-of-centre retailing, also means that it is not a "level playing field". This is a further contributing factor to the significant number of store closures that have occurred over recent years.
- 3.39 In summary, although some retailers are better positioned to cope with the growth in online shopping and the shifts in consumer behaviour and preferences, many are struggling to position themselves quickly enough to absorb rising costs and engineer the vital transition to a more technology-focussed business model.

**RISING OCCUPANCY COSTS**

- 3.40 'Bricks and mortar' retailers are having to absorb higher than inflation increases in year-on-year occupancy costs (for example, rents, business rates, service charges, utility bills, staff costs, etc). This outpaces sales growth for many retailers, eroding profitability and resulting in more store closures.
- 3.41 As described above it is not a "level playing field" between high street and online retailing, or between high street and out-of-centre retailing. In response to the budgetary challenges from rising costs and tight margins, retailers will need to drive up efficiencies and productivity from existing floorspace to remain viable.
- 3.42 It is standard practice for retail planning assessments to make a reasonable and robust allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace for it to remain vital and viable. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time. The latest Retail Planner Briefing Note (RPBN 20) (February 2023) provides forecasts of annual floorspace productivity growth rates based on two different scenarios: (i) the 'constant floorspace scenario', based on limited potential

for new retail development, resulting in greater efficiency of existing floorspace; and (ii) the 'changing floorspace scenario', which takes account of the impact of new retail development on average retailer sales performance. The table below sets out the differences between the two scenarios.

**Table 3.1: Floorspace Productivity Growth Rates (year-on-year growth %)**

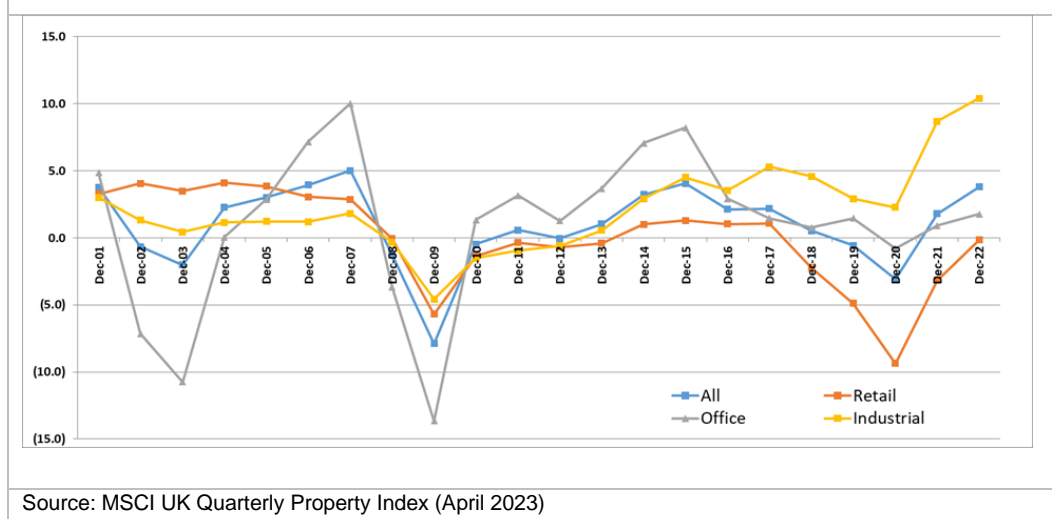
	2021	2022	2023	2024	2025-2029	2029-2040
<b>CONSTANT FLOORSPACE</b>						
Convenience Goods	-7.2%	-7.7%	-1.8%	-0.3%	0.2%	0.4%
Comparison Goods	5.2%	3.4%	-0.5%	-0.4%	2.1%	3.0%
<b>CHANGING FLOORSPACE</b>						
Convenience Goods	-7.2%	-7.7%	3.4%	2.8%	0.1%	0.0%
Comparison Goods	5.3%	3.4%	-0.1%	-0.4%	2.0%	2.8%

Experian Retail Planner Briefing Note 20 (February 2023); Figures 3a/3b and 4a/4b

- 3.43 As Experian explain the volatility in sales densities in 2021 and 2022 have been driven by sharp swings in retail spending due to temporary business closures during the pandemic and subsequently the impact of high inflation. Sales density growth rates are expected to be weak in 2023 and 2024 given the poor near term outlook for retail sales volumes. Budgetary challenges from rising costs and tight margins will be a key factor underpinning floor space efficiencies over the coming years. These results reflect national trends and there will be marked differences between local areas.
- 3.44 On this basis, budgetary pressures mean that retailers will have to increase efficiencies from current floorspace including through redevelopment/repurposing of existing floorspace; adoption of new technology and innovations; more effective marketing strategies; and adopting an 'omni-channel strategy that uses internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels and a significant fall in new retail-led development in centres across the UK.
- 3.45 For these reasons we prefer to test higher 'constant floorspace productivity' growth rates for retail planning assessments, as they better reflect national trends and the need for existing retailers to increase their sales potential and profit margins to remain viable.
- 3.46 Outside of the top 50 it is the more secondary towns and shopping locations that potentially remain vulnerable to further reductions in their existing retail and commercial offer. This is against the backdrop of limited and falling demand for new shops and commercial space.
- 3.47 Demand for retail space in centres across the UK has fallen dramatically since 2007 and is currently at an all-time low. In turn this fall in demand is impacting on property values and rents. For example, LSH research conducted before the pandemic showed that the retail sector recorded a 4.9% year-on-year fall in rents in December 2019; fell further in December 2020 by 9.4%; by 3.2% in December 2021 and by 0.2% by December 2022 . As shown below the retail sector has performed poorly compared with the other property sectors with its origins back to the economic crisis in 2007/08. This trend has been further exacerbated by the pandemic and current cost of living crisis.



**Figure 3.4: Property: Average Rental Growth (2001-2023) (%)**



3.48 One of the obvious impacts of the difficulties experienced within the retail sector is the fall in retail rental values. The larger retail groups have enjoyed a particularly strong negotiating position and lease events represent an opportunity to reduce costs and increase flexibility. Over the past year we have experienced multiple retailers seeking some or all the following lease provisions when agreeing lettings:

- An increase in rentals linked to turnover as opposed to contracted rents linked to market rental value.
- Where rent reviews are to market value a cap as to the quantum of any future increase.
- Shorter leases and regular tenant break options.
- Capped increases to service charge.
- Pandemic clauses with rent cessation provisions in case of forced closure.
- Larger incentive packages, including capital contributions, enhanced handover specifications and extended rent free periods.

3.49 Overall, many centres and shopping locations across the UK simply have too much retail floorspace stock, or they have the “wrong type” of retail floorspace that does not meet the needs of modern national retailers for larger format shop units. Some analysts indicate that as there may be as much as 30% too much physical space in the retail sector. Our recent research together with REVO indicated that the oversupply of retail floorspace has overtaken business rates as the main challenge identified by our survey respondents. It was mentioned by 42.7%, up from 36.1% in 2022.

3.50 This over-supply of retail floorspace and limited market demand is placing further pressures on the viability of existing stores and shopping centres. In turn, this makes it difficult for landlords, investors and retailers to justify additional capital expenditure.

### **OUT-OF-CENTRE RETAILING**

3.51 The development and take-up of food and non-food out-of-centre space has also slowed over recent years, in line with the trends impacting on high streets and town centres. The main grocery retailers have pulled back from new larger format superstore openings in edge and out of centre locations to focus on maintaining and increasing market shares through online sales and opening smaller convenience outlets. The exception to this is the discounters, Aldi and Lidl, who continue to seek new sites in mainly edge and out-of-centre locations.

- 3.52 Vacancy levels in out-of-centre retail warehouses and parks have also increased over the last decade following the closure of major operators (such as, for example, Toys R Us, Poundworld, Office Outlet, etc.), and a reduction in the store portfolios of other major out-of-centre retailers (such as, for example, B&Q and Homebase). There are likely to be further increases in closures, particularly in the poorly performing “first generation” and secondary shopping locations, as leases come up for renewal and more retailers go into administration. As a result, a number of out-of-centre foodstore and retail warehouse sites are being repurposed and/or redeveloped for alternative uses, including logistics and residential uses.
- 3.53 Notwithstanding this, most out-of-centre shopping locations retain their significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, ease of access, their lower occupancy costs and extensive free parking as well as their ability to serve as last-mile delivery hubs. This remains an attractive proposition for those retailers that are still seeking space in the current market. For example, as part of its revised business model Marks & Spencer has closed a number of its traditional high street stores and “replaced” these with ‘Simply Food/Food Hall’ branded stores in out-of-centre locations.

### VACANCY RATES

- 3.54 The combined effect of many of the above trends is that in many, if not most locations within the UK, increasing amounts of existing retail floorspace is being found to be surplus to requirements and vacancies are increasing.
- 3.55 At the end of 2022, the GB average ‘All Vacancy Rate’ (retail and leisure combined) according to LDC stood at 13.8%. The current rate is still higher than the pre-pandemic (H2 2019) level of 12.1%, so the sector has yet to fully recover.
- 3.56 The sharpest increase in vacancy rates was seen in Shopping Centres category, rising from 14.4% at the end of 2019; 17.1% at the end of 2020; 19.1% at the end of 2021 and 18.2% at the end of 2022. Shopping centres saw the largest increase in long-term vacant space over 2022, rising to 6.5% from 6.1% in 2021.
- 3.57 LDC estimate that by the end of 2024 the retail vacancy rate reaching 14.9%; leisure 10.2%; with the combined rate falling to 13.4%.

### SUMMARY

- 3.58 Our towns, traditional high streets and shopping centres have been challenged for more than a decade by falling market demand, rising occupancy costs and increasing competition from online and out-of-centre shopping. These trends have been further accelerated and compounded by the COVID-19 pandemic; and are resulting in an increase in vacant shop units, often in primary shopping areas, as retailers and occupiers either choose to downsize and/or close stores in some locations (e.g., Marks & Spencer, John Lewis), or they are forced out of business altogether due to failing business models and unmanageable debts (e.g., the Arcadia Group).
- 3.59 However, whilst some areas are seeing a decline in footfall and retail demand as a result of increasing online sales, more WfH or the national trends, some locations are continuing to maintain their retail draw. This includes locations where the offer is attractive to local residents, as WfH and more online shopping for larger items increases the potential for local purchases of day-to-day items and those with a strong tourist draw. Centres providing a unique offer and/or attractive environment are also more likely to perform well.



## 4. COMMERCIAL LEISURE AND OTHER LAND USE TRENDS AND OPPORTUNITIES

- 4.1 Having considered how retail and shopping in town centres has changed in recent years in the previous section, this section focuses on the changing trends within the commercial leisure sector that may affect the demand for new leisure uses and facilities in Camden over the plan period. This assessment necessarily focuses on the main leisure, entertainment and cultural uses identified as town centre uses in the NPPF (Annex 2), namely:

*“...leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); ... and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).”*  
(NPPF, Annex 2)

- 4.2 The starting point for this assessment is a consideration of the relative importance of various types of activity in terms of likely spend and expected growth. We then consider the key town centre uses in more depth. Finally, we look at hotel provision within the borough.

### LEISURE EXPENDITURE

- 4.3 Expenditure on leisure items and activities is an important element of a household budget and it is estimated that in 2021, UK households spent in excess of £158 billion on such items including:
- **Recreational and sporting services** - ie services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing and skating;
  - **Cultural services** – ie cinemas, theatres, concerts, circuses, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing;
  - **Restaurants, cafes etc (F&B)** – ie catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes etc;
  - **Accommodation services** – ie accommodation in hotels, motels, inns, “bed and breakfast” establishments, caravan sites, youth hostels, boarding schools, universities and other educational establishment accommodation; and
  - **Hairdressing salons & personal grooming** – ie hairdressers, barbers, beauty shops and salons, men’s personal grooming centres, massage parlours, saunas, tanning centres.
- 4.4 Not all this expenditure will relate to town centre activities, nor could a town centre be expected to accommodate all leisure outlets. It is also the case that much of the spend on accommodation will be

spent outside of a resident’s home area. However, a review of expenditure by Camden residents shows the relative importance on key town centre uses:

TABLE 4.1: LEISURE EXPENDITURE PER CAPITA 2021 (INCLUDING ONLINE SPEND)

		Expenditure per head (£ pa)						Expenditure per head (£ pa)	
		Restaurants /cafes etc	Cultural Services	Accommodation services	Recreational & Sporting	Games of Chance	Personal grooming	Convenience	Comparison
Zone 1	Central London	£2,509	£578	£460	£388	£223	£130	£3,628	£4,888
Zone 2	Camden Central	£2,065	£383	£350	£222	£134	£98	£3,021	£3,713
Zone 3	Camden West	£2,755	£565	£522	£347	£198	£130	£3,935	£4,848
Zone 4	Camden North	£2,653	£509	£442	£320	£187	£107	£3,952	£4,522

Source: Average spend per capita estimates (2021 prices) are derived from Experian MMG3 'Retail Area Planner' Reports.

- 4.5 From a planning perspective this clearly shows the potential importance of spending on Food & Beverage (F&B) for town centres, given much of that spend will, or has the potential to be spent in defined centres at all levels of the retail hierarchy. Cultural spend will be important for the larger centres, at the top of the hierarchy, whilst hairdressing and personal grooming services may generate less expenditure per head but are more likely to be spent locally.
- 4.6 As discussed above, spend generated by the residents of Camden on accommodation services is not likely to be spent within the Borough, but spend from visitors staying in Camden or elsewhere whilst visiting London, is an important part of the Borough’s overall economy. Spend on recreational & sporting activities is likely to be less important for town centres as is spend on games of chance – the former due to the scale on expenditure on activities that will not be located in town centres and the latter due to the significance of online spend.
- 4.7 Going forward, leisure spend overall is expected to increase by around 2.7% per annum between 2022 and 2031 and 0.8% per annum to 2040<sup>23</sup>, which equates to an average of 1.8% per annum across the whole period. This represents a significant increase over time, with the period 1997 to 2021 having experienced a decline of -2.4% per annum. However, expenditure for different types of leisure will experience different rates of growth during this period, with varying degrees of spend being made online.
- 4.8 As a result, the relevance of different leisure uses to town centres varies, as does the planning policy response:
- Most, if not all hairdressing and personal grooming premises will be considered as Class E uses, and therefore will be subject to the same planning policies as retail uses both within and outside town centres; and
  - Demand for the development of new cultural and intensive sports uses will be market led and is likely to be linked to identified needs in a catchment area that will be defined by industry specific factors. As such borough boundaries may or may not be a consideration.
- 4.9 However, a review of sector trends and information on the current position in Camden is provided below for:
- Eating out /Food & Beverage (F&B) uses
  - Cultural services
  - Recreational and sporting services.

## EATING AND DRINKING OUT

- 4.10 The food and beverage (F&B) sector includes restaurants, cafés, bars and pubs (former use Classes A3-A5). These uses are an integral part of a town centre’s wider offer and economy. A good choice

<sup>23</sup> Experian Retail Planner Briefing Note 20, Figure 2

and quality of F&B uses can help to complement other town centre uses, by generating trips, stretching 'dwell times' (i.e. the time people spend in centres), increasing 'linked' expenditure to other shops and businesses as part of the same trip, and strengthening both daytime and evening economies.

- 4.11 As identified above, the F&B sector dominates average household expenditure and participation in leisure. In theory, this expenditure growth should be available to enhance the scale, quality and choice of F&B uses across the Borough. In reality though, this growth will be determined by current and future trends in the sector and market demand. The table below summarises some of the current trends that are driving changes in the food and beverage sector.

**Table 4.2: Key trends in the food and beverage sector**

Use:	Headline Market Trends:
Restaurants	<p>Notwithstanding the impacts of the pandemic, this sector had experienced mixed fortunes up to 2020 before the pandemic. Over investment in some casual dining brands led to their collapse before or directly after the pandemic as sales dropped while those carrying debt are vulnerable. The pandemic accelerated the popularity of 'eating at home', with restaurants entering the home delivery market using online third-party delivery companies (such as Just Eat, Deliveroo and Uber Eats). Post Covid, restaurants are now facing further challenges associated with rising operating costs, rising supply costs, staff shortages, and cost of living factors (e.g. potential that customers will cut back on dining out).</p>
Pubs and Wine Bars	<p>Pub operators have widened their food and non-alcoholic beverage offer the last decade, resulting in the growth of so-called "gastro-pubs" and, most recently, the rise in 'micro' and 'craft' pubs. Notwithstanding this trend, the sector has also been characterised by increasing consolidation and closures. This is mainly explained by high occupancy costs (e.g. business rates) and beer duty, and changes in consumer demand and drinking habits. As a consequence, there has been a significant increase in the conversion and/or redevelopment of pubs to alternative uses over the last decade, including for residential uses and/or convenience retailing.</p> <p>Research by CAMRA indicated that some 854 pubs closed in 2018, although this was a reduction on the 980 seen in 2017, which most likely reflected the impact of new planning policies and the recognition of pubs as 'Assets of Community Value' (ACV). However, closures are continuing and 400 pubs closed in England and Wales in 2022. Similar pressures to the restaurant sector will apply, particularly regarding rising operating and supply costs, and more customers drinking at home due to the cost of living crisis. Many pubs are focusing on their dining offer to widen their customer base but still face issues around cost and labour supply.</p> <p>Recent years have also seen a rise in licenced premises also providing an active leisure offer, with activities such as darts, bowling and table tennis all being provided in bar settings. Such activities however are likely to require a large catchment population and so are only looking to locate in the higher order centres.</p>
Cafés and Coffee Shops	<p>This sector has experienced strong growth over the last decade. Latest figures show that the UK coffee shop market comprises some 25,500 outlets, of which 9,885 are branded outlets, with 5,723 being focused on coffee and 4,162 focused on food. The branded coffee shop market had a turnover of £4.9bn in 2022, an increase of 11.9% over the previous 12 months but still below pre-pandemic levels<sup>24</sup>.</p>

<sup>24</sup> Project Cafe UK 2023

Costa Coffee, Greggs and Starbucks are the three largest chains in the UK, with 6,178 outlets. However, notwithstanding the rise of the multiples, this sector has also been characterised by growth in independent and specialist cafés and coffee houses; particularly those serving a more luxury or specialist offer (e.g. organic, in-house roasted beans, and Fairtrade). In the specialty segment, artisan concepts continue to grow (such as 'Department of Coffee' and 'Social Affairs'). Others include London-based 'Grind' and 'Caravan', which have the potential to expand to regional centres, particularly centres within the London commuter belt. The strong independent coffee sector has also fuelled many new start-up businesses in local centres. The continued growth of this sector has been one of the most successful in the UK economy.

However, some rationalisation of company portfolios can be expected where demand may have fallen as a result of WFH and there is also an increasing emphasis on drive-thru operations, which tend to be orientated to out-of-centre locations.

- 4.12 Research shows that the multiple chains mainly dominated the expansion of the F&B sector up to 2017 when they accounted for almost half of all net new business openings. However, since 2017 a number of multiples in the casual dining sector have struggled against a backdrop of increased competition, rising costs and a tightening of consumer spending due to wider Brexit and economic concerns.
- 4.13 The reality is that too many F&B operators expanded too quickly into increasingly marginal locations, funded by private equity, and the market became saturated and unsustainable. The growth in the availability, convenience and speed of home deliveries driven by new technology and apps represents a further significant challenge to more traditional F&B operators. These challenges have been further accelerated by the impact of the COVID-19 pandemic while sharp rises in energy prices and more difficulties in recruiting service workers is now impacting on the viability of many F&B businesses.
- 4.14 These new challenges and pressures have resulted in a radical restructuring of businesses across the sector, resulting in the closure of many loss-making branches. Pre-pandemic the biggest impact to the market was experienced in the 12 months to June 2019 when an estimated 1,412 UK restaurants closed. This represented a +25% increase in restaurant closures compared to the previous year and the highest number of insolvencies recorded since 2014, when approximately 750 restaurants closed. Causalities were primarily felt in the casual dining market which saw many brands exit the market either completely or saw their portfolio shrink considerably (e.g. Strada, Jamie's Italian, Byron Burger, Carluccio's and Prezzo).
- 4.15 However, the impact of the pandemic has created even more difficult trading conditions that have persisted. In April 2021 there were 9.7% fewer restaurants trading in the UK compared to the year before, of which the biggest decline was in the casual dining market where the number of restaurants fell by almost 20%. By the end of 2022, there was a 1,611 net reduction in licensed premises from the year before<sup>25</sup>. A "shakeout" in the sector will leave the proactively managed multiple and independent businesses that have strong brand loyalty and/or a clear differentiated offer as the main "winners". Brands such as Nando's, Greggs, Domino's Pizza, Five Guys, and Honest Burgers are performing well revenue-wise and are continuing to expand, which provides hope for the sector. Key trends predicted for the hospitality sector 2023 by industry expects, particularly the dining market include:
- A greater move towards more cost-effective restaurant models and brands.

<sup>25</sup> <https://www.bighospitality.co.uk/Article/2023/01/20/independent-restaurants-battered-as-cost-pressures-drive-hospitality-closures-above-covid-hit-years>

- Collapse or sale of brands that are overleveraged and carrying debt, which are likely to be purchased by stronger performing brands.
  - Opportunities for new businesses where landlords offer concessions on rent and premiums.
  - Continued growth in customer demand for 'quick service restaurants' (QSR), brand franchising and drive-through formats.
  - Increase in demand for sustainable dining, such as vegan or vegan friendly restaurants, and others that promote sustainable credentials (e.g. slow food, low carbon footprint, etc).
- 4.16 There is also the potential for restaurants and pubs to tap more into the growth in home deliveries following the impact of the pandemic; with the potential to reach new audiences and increase turnover at quieter times. The growth in use of delivery apps such as Deliveroo, Uber Eats, and Just Eat has helped many restaurant businesses reach more customers. Although the affordability of these services can be prohibitive, particularly for independent businesses, it remains to be seen whether the cost-of-living crisis will dampen demand given the associated price premium for this form of take out service.
- 4.17 The popularity of street food, market halls and markets, and “meanwhile”/“pop-up” restaurants and bars has opened more opportunities for start-up hospitality brands and have served as a launch pad for many successful F&B brands (e.g. Honest Burger and Franco Manca). These more informal drinking and eating venues fulfil their desire to experiment and explore different styles of drink, food and new cuisines in exciting new and more informal environments. Trialling a “pop-up” site also represents an opportunity to test a new concept, gain a following, fine-tune details and secure investment before making a long-term commitment. The pop-up concept is also attractive to landlords and property companies who are increasingly nervous about signing long leases following numerous high profile restaurant closures.

### Food And Beverage Provision in Camden

- 4.18 The profile of Camden’s resident population and high volumes of visitors and workers, particularly in the Central London Area, means the borough has a high proportion of F&B outlets and the information from Barclaycard shows the importance of the sector to the overall offer and vitality and viability of its centres.
- 4.19 Spend on F&B in Camden (Zones 1- 4) totalled over £1.4 billion in 2021 (the base year for Experian data), representing approximately 1.5% of the total UK spend (£92.9bn). Total spend was highest in:
- Camden Town TC (£209m)
  - King’s Boulevard and Coal Drops Yard (£133m)
  - High Holborn/Kingsway (£110m)
  - Tottenham Court Road/ Charing Cross / New Oxford Street (£105m)
  - Covent Garden (£77m)
- 4.20 As would be expected most of this trade came from visitors to the area, with resident spend accounting for just 8.8% of the total spend in the four zones. However, as would be expected, Camden’s town and neighbourhood centres attract a higher proportion of local spend, with around a third of trade coming from local residents in Finchley Road / Swiss Cottage’ West Hampstead, Regents Park Road, South End Green and Swain Lane.

**Table 4.3: Food & Beverage Spend in Camden**

	% Market Share (Zones 1-4)	% Market Share (Zones 1-4) Exc online	% Market Share All UK	% Market Share (Zones 1-4) Exc online	F&B Spend from Zones 1-4 (£m) £480.34	Total F&B Spend (£m) £92,914.19	%Spend coming from Camden
<b>Available Expenditure</b>							
<b>Within Study Area</b>							
Tottenham Court Rd, Charing X, New Oxford St	0.9%	1.2%	0.11%	0.1%	£4.50	£104.75	4.3%
High Holborn / Kingsway	1.1%	1.4%	0.12%	0.2%	£5.15	£110.15	4.7%
King's Cross / Euston Road	0.4%	0.5%	0.03%	0.0%	£1.87	£24.12	7.7%
<b>Sub-Total Central London Frontages</b>	<b>2.4%</b>	<b>3.2%</b>	<b>0.26%</b>	<b>0.3%</b>	<b>£11.52</b>	<b>£239.02</b>	<b>4.8%</b>
Covent Garden	0.5%	0.6%	0.08%	0.1%	£2.19	£76.75	2.9%
Denmark Street	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
Fitzrovia and South West Bloomsbury	0.0%	0.0%	0.02%	0.0%	£0.00	£18.70	0.0%
Hatton Garden	1.0%	1.3%	0.08%	0.1%	£4.66	£72.95	6.4%
Museum Street	0.1%	0.1%	0.01%	0.0%	£0.33	£11.72	2.8%
Kings Boulevard and Coal Drops Yard	1.2%	1.6%	0.14%	0.2%	£5.84	£133.11	4.4%
<b>Sub-Total Specialist Shopping Areas</b>	<b>2.7%</b>	<b>3.6%</b>	<b>0.34%</b>	<b>0.4%</b>	<b>£13.02</b>	<b>£313.24</b>	<b>4.2%</b>
Camden Town	4.3%	5.8%	0.23%	0.3%	£20.79	£209.22	9.9%
Finchley Road/ Swiss Cottage	3.6%	4.8%	0.06%	0.1%	£17.17	£52.24	32.9%
Hampstead Town	0.9%	1.1%	0.03%	0.0%	£4.13	£26.83	15.4%
Kentish Town	2.3%	3.0%	0.06%	0.1%	£10.91	£54.57	20.0%
Kilburn High Road	1.3%	1.7%	0.05%	0.1%	£6.24	£48.19	12.9%
West Hampstead	1.2%	1.5%	0.02%	0.0%	£5.54	£18.38	30.1%
<b>Sub-Total Town Centres</b>	<b>13.5%</b>	<b>18.0%</b>	<b>0.44%</b>	<b>0.6%</b>	<b>£64.78</b>	<b>£409.44</b>	<b>15.8%</b>
Cricklewood Broadway	0.3%	0.4%	0.01%	0.0%	£1.38	£10.96	12.6%
Leather Lane	0.2%	0.3%	0.04%	0.1%	£1.01	£36.26	2.8%
Marchmont Street / Leigh Street	1.0%	1.3%	0.04%	0.1%	£4.68	£39.96	11.7%
Mill Lane	0.1%	0.2%	0.00%	0.0%	£0.59	£1.33	
Regents Park Road	1.3%	1.7%	0.02%	0.0%	£6.20	£22.40	27.7%
Royal College Street / Camden Road	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
South End Green	1.3%	1.7%	0.02%	0.0%	£6.02	£18.14	33.2%
Swains Lane	0.8%	1.1%	0.01%	0.0%	£4.03	£10.11	39.9%
<b>Sub-Total Neighbourhood Centres (named)</b>	<b>5.0%</b>	<b>6.6%</b>	<b>0.15%</b>	<b>0.2%</b>	<b>£23.93</b>	<b>£139.16</b>	<b>17.2%</b>
Other Zone 1	1.7%	2.3%	0.35%	0.5%	£8.23	£321.49	2.6%
Other Zone 2	0.3%	0.4%	0.02%	0.0%	£1.36	£18.52	7.3%
Other Zone 3	0.8%	1.0%	0.01%	0.0%	£3.65	£8.57	42.6%
Other Zone 4	0.5%	0.6%	0.01%	0.0%	£2.23	£9.24	24.1%
<b>Sub-Total Other Zones 1-4</b>	<b>3.2%</b>	<b>4.3%</b>	<b>0.39%</b>	<b>0.5%</b>	<b>£15.47</b>	<b>£357.81</b>	<b>4.3%</b>
<b>Total Camden Borough (Zones 1 to 4) - RETAINED EXPENDITURE</b>	<b>26.8%</b>	<b>35.7%</b>	<b>1.57%</b>	<b>2.1%</b>	<b>£128.72</b>	<b>£1,458.67</b>	<b>8.8%</b>
<b>Outside of Study Area</b>							
Angel / Upper Street	2.0%	2.6%	0.40%	0.5%	£9.43	£374.74	2.5%
Brent Cross	0.2%	0.3%	0.04%	0.1%	£0.97	£38.11	2.5%
Nags Head/ Holloway	0.4%	0.5%	0.06%	0.1%	£1.95	£53.21	3.7%
West End (Oxford Street/Regent Street/Bond Street)	5.1%	6.8%	0.89%	1.2%	£24.48	£824.01	3.0%
Westfield White City	0.4%	0.6%	0.19%	0.2%	£2.09	£174.02	1.2%
Westfield Stratford	0.2%	0.3%	0.24%	0.3%	£1.10	£220.38	0.5%
<b>Sub-Total Named Competing Centres</b>	<b>8.3%</b>	<b>11.1%</b>	<b>1.81%</b>	<b>2.4%</b>	<b>£40.02</b>	<b>£1,684.47</b>	<b>2.4%</b>
Rest of London	30.8%	41.1%	16.33%	21.4%	£148.17	£15,174.04	1.0%
Rest of UK	9.0%	12.0%	56.71%	74.2%	£43.22	£52,690.81	0.1%
<b>Sub-Total - Expenditure outside Study Area - EXPENDITURE LEAKAGE</b>	<b>48.2%</b>	<b>64.3%</b>	<b>74.85%</b>	<b>97.9%</b>	<b>£231.41</b>	<b>£69,549.31</b>	<b>0.3%</b>
Online Expenditure	25.0%		23.58%		£120.21	£21,906.21	0.5%
<b>TOTAL EXPENDITURE</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.00%</b>	<b>100.0%</b>	<b>£480.34</b>	<b>£92,914.19</b>	<b>0.5%</b>

Notes

Market Share data from Barclaycard

Available Expenditure data from Experian Location Analyst

## CULTURAL SERVICES

4.21 Camden and the adjoining areas of Central London are major providers of cultural services in the form of theatres, cinemas and music venues and many of the facilities have a national or international draw. As a result, the cultural services offer is a major contributor to the evening and night time economy in Camden.

### Cinemas

4.22 The UK cinema sector has evolved dramatically since the 1990s when it was largely dominated by a handful of national multiples. Today the sector offer ranges from larger multiplexes, to smaller independent operators and 'pop up' venues. The following table sets out some of the main cinema operators in the UK. Notwithstanding the greater variety and choice in the cinema sector, the three largest cinema operators still account for around 70% of total UK screens. The six largest operators are collectively responsible for about 85% of the sector.

**Table 4.4: Main cinema operators in the UK**

Operator/ Brand:	No. of Cinemas	Position	Description:
Cineworld	116	Multiplex	Established in 1995. Cineworld is the leading cinema operator in the UK by box office market share (based on revenue). However, the business announced in August 2022 its intention to file for bankruptcy and it entered administration in July 2023. There are currently no plans to close any of its outlets.
Odeon/UCI	120	Multiplex	Established in 1930s. In July 2016, Terra Firma sold Odeon/UCI to the Chinese-owned AMC Entertainment group for £921m.
Vue	93	Multiplex	Established in 2003, following the acquisition of Warner Village for £250m. It has since grown through new development and acquisitions
Showcase	19	Multiplex	Established in 1986. Owned by National Amusements Inc
Empire	14	Multiplex	Established in 2005 but has its origins in the Empire on Leicester Square, which opened in 1884.
Picturehouse (Cineworld)	25	Independent	Established in Oxford in 1989. Differentiated by its unique locations, homely atmosphere, and art-house film choices. Cineworld acquired the entire chain for £47.3m in December 2012.
Reel	10+	Independent	Established in 2001, following the purchase of Curzon in Loughborough. Independently owned and branded as Reel Cinemas Ltd in 2005. Vue sold four cinemas to Reel (Fareham, Port Talbot, Burnley and Morecombe).
Everyman	35	Independent	Established in 2000. Acquired the Screen Cinemas chain in 2008 and 4 cinemas from Odeon in 2015. Increased its revenue by 27% in 2018 and opened 7 cinemas in 2019.
The Light	9	Independent	Established in 2007. Have multiplexes in Wisbech, Cambridge, Walsall, Bolton, Sheffield, Stockport, Bradford and Addlestone. Has trialled its first non-multiplex, 3-screen cinema in Thetford, Norfolk, which opened in 2016.
Merlin	17	Independent	Established in 1990. Operates 12 cinemas in Devon and Cornwall, and 5 others in Gloucestershire (Coleford), Norfolk (Cromer), Somerset (Wellington), Scotland (Thurso) and Wales (Prestatyn).
Movie House	3	Multiplex	Established in 1990. Based in Northern Ireland and acquired the UGC (ex MGM/Virgin) multiplex in Belfast City Centre. Also owns two other multiplexes in Northern Ireland.



Operator/ Brand:	No. of Cinemas	Position	Description:
Curzon	13	Independent	Established in 1934. Operates 7 luxury 'art house' cinemas in London: Aldgate, Bloomsbury, Mayfair, Richmond, Soho, Victoria and, most recently, Wimbledon. Other cinemas in Canterbury, Colchester, Knutsford, Oxford, Ripon and Sheffield.

Source: Various

4.23 The following provides a snapshot of the growth in the cinema market over the last 10-15 years and the impact of the COVID-19 pandemic based on current research:

- Total admissions in 2019 stood at 176.1 million. This was slightly down on 2018 (177m) but was still the second highest recorded admissions since 1970 (193m). Admissions in 2020 fell to 44m due to the impact of the COVID-19 pandemic, a reduction of 75% from 2019 (176.1 million) and the lowest level since records began (dating back to 1935).
- UK box office receipts consistently reached their highest recorded levels in 2017 (£1.278bn), 2018 (£1.277bn) and 2019 (£1.251bn) but fell to £297m in 2020.
- The number of cinemas has increased from 697 in 2006, to 801 in 2017 and 840 in 2019.
- The number of cinema screens has increased from 3,741 in 2010, to 4,564 in 2019.
- Approximately three-quarters (78.2%) of the screens are in multiplexes.
- The average population per screen in 2019 was estimated to be 14,529.
- Average annual spending per head on cinema trips has increased steadily from £12.93 per capita in 2005 to £18.72 per capita in 2019, before falling to £4.37 per capita in 2020.

4.24 Although year-on-year admissions and box-office takings are notoriously volatile — driven by the appeal of individual films and Hollywood 'blockbusters' — the long-term trend since the mid-1980s has been upward and has principally been driven by the development of new cinemas. The growth in the cinema sector over the last 10-20 years is even more impressive when one considers that this has occurred alongside the increase in new and sophisticated in-home entertainment, driven by new technology, choice and flexibility (including, for example, Sky, Netflix and Amazon, and in 2020 the launch of Apple and Disney platforms).

4.25 As the competition in the sector has increased, cinema operators have responded by introducing changes to the cinema experience, including new innovations in technology, improvements to the auditoriums and the introduction of higher quality refreshments, alcohol and food. For example, Odeon has introduced their luxury 'Luxe' branding into a number of converted and new cinemas since 2017, and this evolved into the opening in 2019 of its premium 'Luxe & Dine' concept in London, which is specifically aimed at adults. Showcase also introduced their 'Cinema De Lux' branded multiplexes in 2014, with emphasis on customer service, lush décor, high quality food and other high-end amenities. However, demand for luxury end cinema venues are at present largely confined to London.

4.26 There has also been a growth in smaller (Digital) cinemas serving smaller catchment areas. These Digital cinemas are more flexible and less "space-hungry", as they do not require the large auditoriums needed to accommodate traditional projectors. There are therefore opportunities to provide a modern cinema offer in existing (repurposed) buildings and shopping centres, or as part of a mixed use offering. Other trends in the sector include the growth of 'pop-up' and community cinemas.



- 4.27 The COVID-19 pandemic had a significant impact on cinema attendances and sales in 2020, which led to a period of restructuring and consolidation across the industry. There is evidence that the cinema market is now recovering, with the UK Cinema Association recording 7 million admissions in June 2021 alone. However, the sector is still vulnerable. For example, Cineworld entered administration in July 2023; although we understand that their Picturehouse brand remains solvent in the UK.
- 4.28 Going forward, we would expect cinema trips to remain a significant and popular leisure activity for all age groups. Notwithstanding this, the competition from home entertainment and alternative at-home film channels will intensify and cinema operators will have to keep updating and adapting their offer to respond to consumer needs.

## THEATRES

- 4.29 Although the provision of new theatre space is a relatively rare occurrence, the existing theatre provision in central London is a major tourist attraction and key aspect of the night-time economy. It is also an important employer.
- 4.30 Many of the largest theatres are located outside of the LB Camden within Westminster, but the concentration of offer provides a significant draw benefitting the wider area close to the theatres.
- 4.31 The Mayor of London has noted '*Culture is at the heart of our city, and I'm delighted that our world-renowned theatres, venues, galleries and museums are helping to drive our recovery*' and the scale of the draw cannot be understated.
- 4.32 The most recent information available from the Society of London Theatre<sup>26</sup> suggests that theatre attendances are generally returning to pre-Covid levels. In 2022:
- Attendances exceeded 16m (up 7.21% from 2019), equating to more than 300,000 visits a week;
  - Total capacity was up 7.9% from 2019, with more venues having fewer dark weeks in 2022 compared to 2019, resulting in more than 20m seats being available; and
  - Performances totalled over 19,000, up by 4.7% from 2019.

## MUSIC VENUES

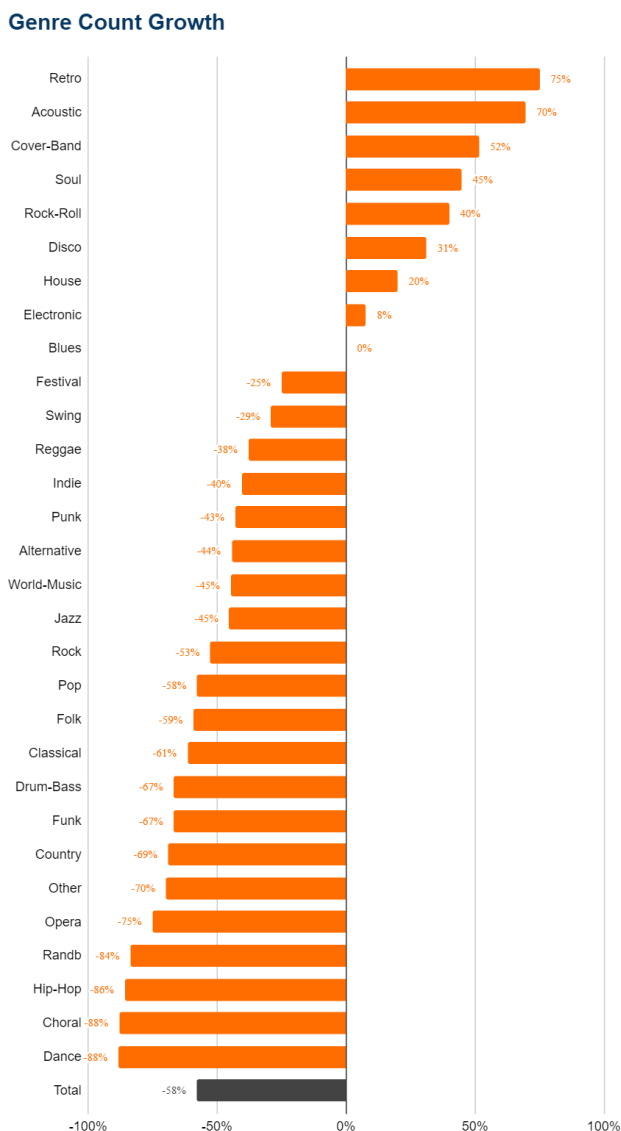
- 4.33 Music venues provide a wide range of facilities and experiences for visitors and range considerably in size, from a room within a different form of venue to large purpose-built concert halls or the occasional use of a large sporting or other venue. However, retaining such venues can be difficult when there are competing demands for space, particularly at grass roots level.
- 4.34 The Music Venues Taskforce was set up by the Mayor of London after it was identified that London had lost 35% of its grass roots music venues between 2007 and the mid 2010s. The Taskforce sought to determine why so many music venues had closed and what impact this was having on London's culture and economy. They published their Rescue Plan for London's Grassroots Music Venues in October 2015. It included a package of measures to address problems in planning, licensing, business rates, promotion and music tourism.
- 4.35 In January 2017 a progress update was also published. This showed that the number of grassroots music venues in the capital had remained stable for the first time in ten years, with 94 venues operating at that time.

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<sup>26</sup> <https://solt.co.uk/data-and-research/>

- 4.36 However, since then the sector has faced the additional challenges posed by the Covid-19 pandemic and associated restrictions. This saw a significant decline (58%) in the overall number of live events organised in 2021 when compared to 2019<sup>27</sup> but some growth sectors were noted (see Figure 4.5).
- 4.37 In 2022 there was a significant recovery in live music performances and attendances but grassroots music venues are continuing to struggle like many other service providers and it has been forecast that around 10% of all such venues could close in 2023<sup>28</sup>.

**Table 4.5: Change in Live Music Events 2019 – 2021**



Source: <https://www.ticketsource.co.uk/blog/live-music-report-2021>

## GAMBLING VENUES

- 4.38 Spend on gambling ('games of chance') represents a relatively small proportion of the overall spend on leisure activities but includes a number of sectors that can be represented in town centres - bingo

<sup>27</sup> <https://www.ticketsource.co.uk/blog/live-music-report-2021>

<sup>28</sup> <https://www.nme.com/news/music/uk-to-lose-10-per-cent-of-grassroots-venues-in-2023-as-calls-grow-for-rest-of-industry-to-invest-3499727>

clubs, casinos, betting shops and amusement arcades. The latest research<sup>29</sup> figures show that the gambling industry in Great Britain generated a Gross Gambling Yield (GGY) for the year end to March 2021 of £12.7bn. This represented a decline of 11% on the previous year (to March 2020), which in turn was slightly lower than seen in 2017 to 2019. Remote (online) gambling significantly increased during the year as a result of the pandemic.

4.39 The period from 2017 to March 2021 also saw a decline in the number of premises used for gambling purposes. Between March 2020 and March 2021, the overall number of premises decreased by 1,502 (-14.8%) from 10,127 to 8,625. The majority of these (1,221) were as a result of a decline in non-remote betting but the period also saw the closure of 149 casinos, 82 arcades and 50 bingo venues. Between March 2017 and March 2021, the total number of licensed premises decreased by 2,779 (-24.4%) from 11,404 to 8,625.

4.40 In terms of the different types of gambling:

- **Bingo Halls** - in response to falling admissions over a number of years bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and growth in 'remote/online' gambling, which includes gambling activities through the internet, telephone, radio, etc. Bingo operators are also increasingly looking to diversify their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result, there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes. At the opposite end of the scale, research shows that the 55-64 age group has generated the biggest growth in online gambling as more mature bingo players switch to online bingo sites, as they grow in confidence with the new technology. These trends have resulted in the closure of many bingo halls in centres across the UK with just 246 operating in March 2021 compared with 684 in 2017.
- **Casinos** – There has also been a significant decline in the number of casinos operating in the UK as a result of the growth of on-line activities. Of the 1,164 casinos operating in March 2017, only 117 remained by March 2021.
- **Betting Shops** – The number of high street betting shops has declined significantly in recent years, reflecting the increase in online betting and the merger and subsequent rationalisation of outlets by the main operators. As gambling activities continue their shift to online channels, so the demand for physical outlets will inevitably dampen in the future and betting shops will inevitably close. Notwithstanding this, the presence of betting shops in high streets is a contentious issue in any case due to the perceived social and economic impacts on households. The Government has recognised that betting shops have specific impacts and in 2016 reclassified their use from Class A2 to 'Sui Generis', and remain so under the new Use Class Order. This reclassification means local authorities have greater planning powers to manage the number of outlets and therefore greater potential to limit impacts.

### Cultural Services in Camden

4.41 Spending on cultural services forms the major part of the 'Entertainment' spend recorded by Barclaycard, but with the majority of tickets sold online, data on spending patterns is more limited.

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<sup>29</sup> The Gambling Commission – Industry Statistics (April 2015 to March 2021)

Table 4.6: Entertainment Spend in Camden

Available Expenditure	% Market Share (Zones 1-4)	% Market Share (Zones 1-4) Exc online	% Market Share All UK	% Market Share (Zones 1-4) Exc online	Entertainment Spend from Zones 1-4 (£m) £96.57	Total Entertainment Spend (£m) £21,026.67	% Spend coming from Camden
<b>Within Study Area</b>							
Tottenham Court Rd, Charing X, New Oxford St	0.3%	1.1%	0.02%	0.1%	£0.29	£3.85	7.5%
High Holborn / Kingsway	0.2%	0.7%	0.02%	0.1%	£0.20	£4.24	4.8%
King's Cross / Euston Road	0.1%	0.4%	0.00%	0.0%	£0.12	£0.76	15.8%
<b>Sub-Total Central London Frontages</b>	<b>0.6%</b>	<b>2.2%</b>	<b>0.04%</b>	<b>0.2%</b>	<b>£0.61</b>	<b>£8.85</b>	<b>6.9%</b>
Covent Garden	0.1%	0.2%	0.01%	0.1%	£0.06	£2.35	2.7%
Denmark Street	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
Fitzrovia and South West Bloomsbury	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
Hatton Garden	0.1%	0.5%	0.02%	0.1%	£0.13	£5.26	2.4%
Museum Street	0.1%	0.4%	0.01%	0.1%	£0.10	£2.19	
Kings Boulevard and Coal Drops Yard	0.1%	0.3%	0.01%	0.0%	£0.09	£1.58	5.8%
<b>Sub-Total Specialist Shopping Areas</b>	<b>0.4%</b>	<b>1.4%</b>	<b>0.05%</b>	<b>0.3%</b>	<b>£0.38</b>	<b>£11.37</b>	<b>3.4%</b>
Camden Town	2.5%	8.7%	0.08%	0.4%	£2.39	£17.11	13.9%
Finchley Road/ Swiss Cottage	0.5%	1.9%	0.01%	0.0%	£0.52	£1.49	35.1%
Hampstead Town	0.2%	0.6%	0.00%	0.0%	£0.15	£0.39	38.7%
Kentish Town	0.6%	2.0%	0.01%	0.0%	£0.55	£1.41	38.8%
Kilburn High Road	0.5%	1.9%	0.01%	0.0%	£0.53	£1.91	27.5%
West Hampstead	0.1%	0.5%	0.00%	0.0%	£0.13	£0.31	41.1%
<b>Sub-Total Town Centres</b>	<b>4.4%</b>	<b>15.5%</b>	<b>0.11%</b>	<b>0.6%</b>	<b>£4.26</b>	<b>£22.62</b>	<b>18.8%</b>
Cricklewood Broadway	0.6%	2.0%	0.03%	0.1%	£0.54	£5.35	10.1%
Leather Lane	0.0%	0.0%	0.00%	0.0%	£0.00	£0.53	0.4%
Marchmont Street / Leigh Street	0.2%	0.8%	0.01%	0.0%	£0.22	£1.13	19.3%
Mill Lane	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
Regents Park Road	0.0%	0.0%	0.00%	0.0%	£0.01	£0.35	2.3%
Royal College Street / Camden Road	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
South End Green	0.1%	0.4%	0.00%	0.0%	£0.12	£0.20	59.0%
Swains Lane	0.0%	0.0%	0.00%	0.0%	£0.00	£0.00	
<b>Sub-Total Neighbourhood Centres (named)</b>	<b>0.9%</b>	<b>3.2%</b>	<b>0.04%</b>	<b>0.2%</b>	<b>£0.89</b>	<b>£7.57</b>	<b>11.8%</b>
Other Zone 1	0.2%	0.8%	0.03%	0.2%	£0.22	£7.23	3.0%
Other Zone 2	0.1%	0.2%	0.00%	0.0%	£0.06	£0.33	
Other Zone 3	0.1%	0.2%	0.00%	0.0%	£0.06	£0.09	67.9%
Other Zone 4	0.3%	1.1%	0.01%	0.0%	£0.30	£1.26	
<b>Sub-Total Other Zones 1-4</b>	<b>0.7%</b>	<b>2.3%</b>	<b>0.04%</b>	<b>0.2%</b>	<b>£0.64</b>	<b>£8.91</b>	<b>7.2%</b>
Total Camden Borough (Zones 1 to 4) - RETAINED EXPENDITURE	7.0%	24.6%	0.28%	1.5%	£6.79	£59.33	11.4%
<b>Outside of Study Area</b>							
Angel / Upper Street	0.8%	2.7%	0.22%	1.1%	£0.74	£46.31	1.6%
Brent Cross	0.0%	0.1%	0.01%	0.0%	£0.03	£1.40	2.3%
Nags Head/ Holloway	0.2%	0.8%	0.01%	0.1%	£0.22	£2.79	7.8%
West End (Oxford Street/Regent Street/Bond Street)	1.8%	6.2%	0.29%	1.5%	£1.70	£60.33	2.8%
Westfield White City	0.0%	0.1%	0.02%	0.1%	£0.03	£3.73	0.9%
Westfield Stratford	0.2%	0.6%	0.14%	0.7%	£0.15	£29.87	0.5%
<b>Sub-Total Named Competing Centres</b>	<b>3.0%</b>	<b>10.4%</b>	<b>0.69%</b>	<b>3.6%</b>	<b>£2.88</b>	<b>£144.43</b>	<b>2.0%</b>
Rest of London	14.7%	51.4%	4.93%	25.6%	£14.17	£1,035.75	1.4%
Rest of UK	3.9%	13.5%	13.34%	69.4%	£3.72	£2,805.57	0.1%
<b>Sub-Total - Expenditure outside Study Area - EXPENDITURE LEAKAGE</b>	<b>21.5%</b>	<b>75.4%</b>	<b>18.96%</b>	<b>98.5%</b>	<b>£20.78</b>	<b>£3,985.74</b>	<b>0.5%</b>
Online Expenditure	71.5%		80.76%		£69.01	£16,981.60	0.4%
<b>TOTAL EXPENDITURE</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.00%</b>	<b>100.0%</b>	<b>£96.57</b>	<b>£21,026.67</b>	<b>0.5%</b>

Notes

Market Share data from Barclaycard

Available Expenditure data from Experian Location Analyst

4.42 An analysis of market shares from Barclaycard however (Table 4.6) suggests that entertainment spend generated in Camden is primarily spent within the borough (25%), in the West End (6%) or rest of London (51%). Within the borough 11.4% of spend comes from local residents and the rest from visitors. In Central London the proportion of locally generated spend is significantly less at just 6.9% for the Central London Frontages and 3.4% for the Specialist Shopping Areas but rises to over 30% for many of the town centres.

### **NIGHT TIME ECONOMY**

4.43 Both F&B and cultural services contribute to the night time economy in an area and this is increasingly being seen as an offer in its own right, not just as part of the City's entertainment offer, but part of the '24 hour city' where residents and visitors require access to a range of facilities and services throughout the evening and night-time periods.

4.44 The Mayor of London, has launched London's first ever 24-hour London vision which seeks to turn London into a leading 24-hour global city. The vision focuses on building a night-time culture which:

- promotes culture and leisure for all ages and interests;
- increases opening hours;
- ensures safety for residents, visitors and night-time workers; and
- works closely with boroughs and the police to create a balanced and sustainable night time offer.

4.45 Early actions have included the launch of the first ever Night Tube service at weekends and a Night Czar has been appointed. However, the success of a location as a destination for night time activities depends on various external factors, not just the presence of businesses that wish to trade later, with accessibility being a key consideration. Access to a large potential market is also important, given participation rates are low.

4.46 For these reasons London centres can offer some of the greatest potential for night time activity, and Camden is already a popular and dynamic destination for evening and night time activities, having been the 6th largest in the UK pre Covid. This reflects the borough's concentrations of activities in Camden's part of the West End and in Camden Town TC.

4.47 However, night time activity can also cause problems, resulting in negative impacts on residential amenity. Some of these conflicts will be controlled by the licensing process and policing, but considerate planning can also seek to minimise problems by directing development to the appropriate locations. However, as population levels and the demand for a 24 hour economy increase more careful management of uses will be required.

4.48 Going forward it is envisaged that already declining rates of alcohol consumption may fall further and there is an opportunity to extend some daytime uses and activities to later in the day to ensure that families and older residents feel a greater part of what is on offer.

### **RECREATIONAL AND SPORTING SERVICES**

#### **Health And Fitness Facilities**

4.49 For town centre and urban areas the key recreational and sporting services likely to be provided relate to health and fitness centres.

- 4.50 Pre-pandemic, the health and fitness market, including gyms and health clubs, was going from strength-to-strength, with the number of facilities in the UK increasing to 7,239 over the year to March 2019 (compared with 6,435 in 2016), and total membership growing by 4.7% to 10.4 million<sup>30</sup>. However, the pandemic had a significant impact on the health and fitness market when establishments were required to close during lockdown periods or operated at low capacity to meet social distancing requirements.
- 4.51 This resulted in the number of UK gyms declining from a 10-year peak of 3,674 in 2020 to an estimated 3,060 in 2021<sup>31</sup>. The impact is even more pronounced on the sector's market value. Pre-pandemic the sector market value was steadily increasing annually; peaking at £2.25 billion compared to £1.49 billion in 2012. The impact of the pandemic led to market value dropping to £1.32 billion in 2021. However, early figures for 2022 indicate that market value has risen to £1.8 billion while the number of gyms has risen to 3,720, which is higher than pre-pandemic levels. This is a positive sign that the market is recovering, although, there are now uncertainties on how much the sector will grow in light of the current cost of living crisis.
- 4.52 Nonetheless, gyms and health/fitness facilities make an important contribution to the health and well-being of the population across all age levels. The table below shows the top 10 operators in the health and fitness sector in 2020, ranked by number of facilities.

**Table 8.9: Main gym operators in the UK**

Operator/Brand:	UK Facilities	Position	
Pure Gym	250+	Budget	Established in 2009. Acquired all gyms from LA Fitness in 2015. Most locations are open 24 hours and offer cardio equipment, fixed/free weights and exercise classes.
Anytime Fitness	166	Budget	24-hour health and fitness club. Membership rates vary by club. Operates on a franchise system.
The Gym Group	159	Budget	Established in 2007. 24-hour access. No fixed contract; membership starts from £10.99/month.
Snap Fitness	123	Mid-Market	Established in 2003. A privately owned and operated club. Operates on a franchise system.
David Lloyd Leisure	112	Premium	Established in 1982. Provide a family-orientated, high-quality fitness and leisure facility. Whitbread PLC acquired the company in 1995 for £182m. It is now owned by TDR Capital.
Nuffield Health	111	Mid-Market	Acquired 35 Virgin Active clubs in 2016 at a reported cost of £80m. Membership rates vary by club and locations, but start from circa £60/month.

<sup>30</sup> *State of the UK Fitness Industry Report (2019)*. Leisure DB (formerly the Leisure Database Company). The research is compiled by independent leisure market analysts,

<sup>31</sup> [www.statista.com](http://www.statista.com)



Operator/Brand:	UK Facilities	Position	
Energie Group	100+	Mid-Market	Established in 2003. Clubs are typically between 5,000-25,000 sqft and comprise a café/ lounge area, fitness area, studio, locker rooms and showers. Many include spa areas, swimming pool, treatment rooms and spinning studios. Operates on a franchise system.
Bannatyne's	70	Premium	Established in 1997. Growth driven by new openings and acquisitions; including the purchase of the LivingWell Premier Health club chain from the Hilton Hotel UK Group in 2006. Also operates 37 spas and five hotels across the UK
Exercise4Less	50+	Budget	Gyms are mainly located in the Midlands and North. Gyms in South are in Hounslow, Harlow, Southend, Milton Keynes, Bath and Bristol. Offer a full boxing ring and combat classes. Membership starts from £9.99/month off-peak.

Source: Various

- 4.53 Other major operators just outside the top 10 include Virgin Active, JD Gyms, Sports Direct and Total Fitness.
- 4.54 The structure of the UK health and fitness industry has evolved significantly over the last decade to reflect changes in consumer choice and trends, with value and budget gym operators having experienced the most significant growth in the sector in recent years.
- 4.55 According to figures by *Leisure DB* budget gyms now account for over one-third of gym memberships in the UK. The growth of the budget gym operators has resulted in the increasing polarisation of the gym sector between the budget operators at the value end of the spectrum, and the more exclusive health and fitness centres at the higher, more expensive end. As a result, analysts predict that those mid-market gym operators that are neither very cheap nor particularly exclusive will struggle to maintain market share in the competitive market place unless they revise their business models. Furthermore, as operators compete against the “*at-home fitness*” revolution (e.g. Peloton), boutique studios and tech-enabled fitness, they will need to evolve to be more than “*just gyms*”. As with trends in the retail sector, experiences and entertainment will be important to attracting and retaining customers. For example, there has been continued investment into ‘*fitness-tainment*’ over the last few years and analysts predict that there is plenty of opportunity for future growth.
- 4.56 London is the launch pad for many new fitness formats, both those established the UK and imported from overseas. More recent examples include dedicated gyms for high intensity training, rowing, paddle tennis, and non-competitive boxing. Many of these formats are operating in Camden.

## OTHER COMMERCIAL LEISURE

- 4.57 Other commercial leisure facilities are often classified as ‘family entertainment venues’ (FEVs), which include paid activities that appeal to adults and children (such as, for example, tenpin bowling, roller skating, ice skating, and similar uses).
- 4.58 **Tenpin bowling** is possibly the most popular activity in the ‘family entertainment’ sector. After a period of decline in the 1970s, there are now 316 venues in the UK according to Mintel figures. The UK tenpin

bowling market was valued at £285m in 2017. This represented a +9.7% year-on-year growth and represented the fifth consecutive year of growth. A number of the successful bowling facilities opened over the last 15-20 years (e.g. Hollywood Bowl and Ten Entertainment)<sup>32</sup> tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. The critical mass of leisure uses “*under one roof*” help to underpin the viability of tenpin bowling centres, as they tend to struggle as standalone destinations. The sector is evolving from old-style bowling alleys, to modern, multi-generational entertainment centres where bowling is blended with other forms of activity alongside an enhanced dining offer, along with smaller independent specialist bowling facilities (such as, for example, All Star Lanes and Bloomsbury Bowl)<sup>33</sup>.

- 4.59 Over recent years there has also been growth in other more specialist commercial leisure attractions, such as **trampoline parks**. Trampolining has become one of the UK’s fastest growing sport and leisure trends. It is estimated that there were some 150 parks in the UK in 2017/18, with the potential capacity for between 250-300 parks before saturation is potentially reached. The main operators in this sector include Oxygen Freejumping<sup>34</sup>, Ryze<sup>35</sup>, and Gravity Active Entertainment<sup>36</sup>. There is also an emerging market in **multi-activity leisure venues** promoted by niche operators that offer a range of activity leisure uses under one roof. Examples include venues that include skateboard, snowboarding, BMX, free Ski, parkour, and climbing activities, alongside other activities. Active leisure venues such as those described above typically attract wider families and groups, who are generating ‘spin-off’ expenditure to other uses and facilities both within and outside the venues.
- 4.60 More recently new activities are emerging and locations such as Camden are likely to see proposals for innovative uses. A recent example is the proposal for a immersive virtual reality experience in part of the former Postal Sorting Office development at 21-31 New Oxford Street (Application ref: 2022/0757/P). This use is proposed in units originally developed for flexible retail /restaurant use, but for which there was no commercial demand.

## HOTEL PROVISION

- 4.61 London is one of the most visited cities in the world and Camden has an important role in helping to meet the needs of overnight visitors, given the attractions within the borough and its proximity to the key attractions elsewhere in Central London.
- 4.62 Ensuring that there is an adequate supply of overnight accommodation, both in terms of the type and quantum of rooms, is therefore important, although cannot be considered in isolation from provision in the adjoining boroughs.

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<sup>32</sup> Hollywood Bowl is the market leader in the tenpin bowling sector. It operates 59 venues under the Hollywood Bowl, AMF and Bowlplex brands. Its expansion has been driven by opening new sites, including recently in Dagenham and Yeovil. Ten Entertainment operates 44 venues and its growth strategy is focussed more on acquisitions of distressed assets than opening new venues, and then modernising the facilities to drive growth and value.

<sup>33</sup> All Star Lanes operates five bowling venues, including four are in London (Brick Lane, Holborn, Stratford City and White City) and is largely targeted at the corporate/private hire market. Bloomsbury Bowl also operates from smaller venues with sites in Bloomsbury (8 lanes) and Bristol (5 lanes).

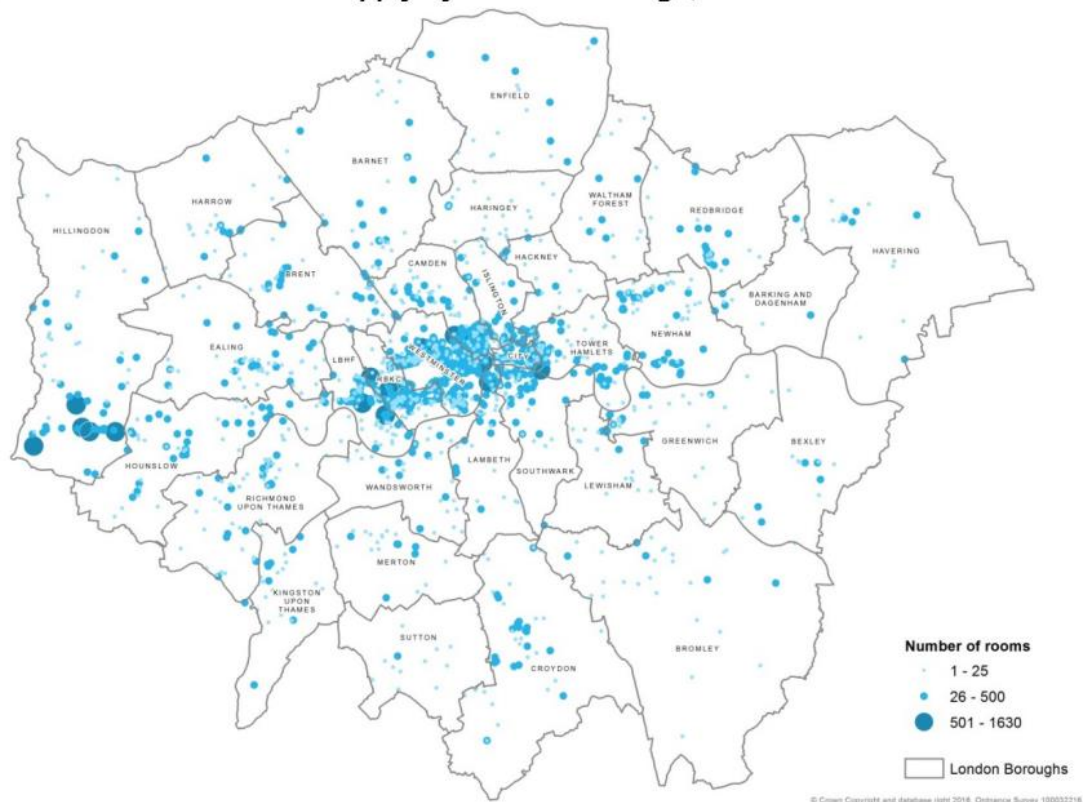
<sup>34</sup> Oxygen Freejumping has parks in Acton (West London), the O2 in Greenwich, Croydon, Derby and Southampton. It also acquired Air Space in 2017, a subsidiary of the high wire adventure company Go Ape. However pre-pandemic Oxygen closed parks in East Kilbride (June 2018) and Wolverhampton (December 2018) due to reported “trading difficulties”.

<sup>35</sup> Ryze is a Scotland-based operator with three parks in Edinburgh, Glasgow and Dundee. These parks range in size from 929 sqm (10,000 sqft) to 1,208sqm (13,000 sqft).

<sup>36</sup> Gravity Active Entertainment is a Castleford-based operator with 11 parks, mainly as part of existing shopping or adventure centres. Its venues include the Xscape in Castleford and Milton Keynes, Bluewater Shopping Centre and Riverside Entertainment Centre (Norwich).

- 4.63 In 2015 Camden provided 12.4% of the total serviced accommodation in London (18,038 bedrooms), an increase of over 1,000 beds since 2011. Camden also provides a high proportion of the capital's Airbnb listings.
- 4.64 The GLA<sup>37</sup> has estimated that London will need to add an additional 58,140 rooms to the serviced accommodation supply between 2015 and 2041, at an average of 2,236 rooms per annum. Of these a total of 1,595 (net) or 2,133 (gross) are projected to be required in Camden.
- 4.65 By 2018, the GLA report advises that 305 (net) new room had already been provided, leaving a further 1,455 required. Projections in the report however suggest that Camden will deliver at least 1,760 rooms during the period.
- 4.66 In terms of the distribution of rooms, the GLA reports suggests the borough is generally well served by serviced accommodation:

**Map 1: Distribution of room supply by London Borough, December 2015**



Source: GLA Working Paper 88

## SUMMARY

- 4.67 This section has shown that the commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how

<sup>37</sup> GLA Economics – Working Paper 88 Projections of demand and supply for visitor accommodation in London to 2050 (April 2017)

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they spend their discretionary leisure spending but new activities and innovative offers will continue to evolve and attract people.

- 4.68 However, there will also be a continued increase in at-home activities due to the advances in computers, tablets, television, gaming, and audio technology. The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.
- 4.69 Overall, it is likely that Camden will be well placed to attract and build on its current leisure offer. The nature of Camden's draw means that available expenditure is high, given the significant draw of Camden's centres for both national and international visitors and accessibility is generally very good. However, as with the retail sector business closures will continue and space will need to be repurposed to meet changing requirements.

## 5. HEALTH CHECK ASSESSMENT

- 5.1 As set out above, Camden has a large number of town centre and other defined retail destinations that provide an extensive offer meeting the needs of local residents, commuters and visitors, both from the rest of the UK and overseas.
- 5.2 These centres are all unique in their size and offer and as such some have been better placed than others to cope with, and adjust to, the retail and leisure sector trends identified above.
- 5.3 Planning policy at all levels seeks to maintain and enhance the vitality and viability of town centres and therefore understanding the current health of a centre is an important element of any evidence-based Retail Study.
- 5.4 Health check assessments for all the key centres in Camden are provided in Volume C and provide a qualitative overview of their current vitality and viability based on some of the key performance indicators (KPIs) set out in the Planning Practice Guidance (PPG). The PPG suggests that the following may be relevant in assessing the health of a town centre:
- Diversity of uses
  - Proportion of vacant street level property
  - Commercial rents yields on non-domestic property
  - Customers' experience and behaviour
  - Retailer representation and intentions to change representation
  - Pedestrian flows
  - Accessibility
  - Perception of safety and occurrence of crime
  - State of town centre environmental quality
  - Balance between independent and multiple stores
  - Barriers to new businesses opening and existing businesses expanding
  - Extent to which there is an evening and night time economy offer.
  -
- 5.5 However, not all information is available for all centres nor is all of it sufficiently up-to-date or robust to reflect the changes seen since the pandemic. This is particularly true of rent and yield data where closures have tended to characterise the market since 2020 and, those transactions that have been undertaken are too few to provide reliable information. This problem increases as the size of centre decreases.
- 5.6 Where appropriate therefore the information has been sourced from the following:
- London Borough of Camden Opendata relating to town centres

- PROMIS (PMA) – general town centre profile data
- Co-Star - Zone A rents and yields
- Datscha - footfall analytics
- Analysis of the Barclaycard market shares, which have been applied to Experian expenditure data to estimate trade draw by zone and from outside the study area.



## 6. RETAIL AND LEISURE CAPACITY ASSESSMENTS

- 6.1 The detailed retail capacity assessment for Camden and the centres and retail locations within it is provided in Volume B of this study.
- 6.2 The assessment is based on the assumption that retail market shares for the Borough (retained Study Area expenditure) and at centre level remain constant. In other words, capacity forecasts do not allow for potential changes to shopping patterns from those currently being seen.
- 6.3 Capacity forecasts (in sqm net) are provided for the study area overall, and the defined Town Centres, with the results summarized below:

**Table 1 Forecast Capacity for Convenience Floorspace in Camden (Table B5.19)**

Convenience Goods Capacity (sqm net)	2028	2033	2038	2041
Camden Town	-1,389	-1,295	-1,182	-1,320
Finchley Road / Swiss Cottage	12	116	242	89
Hampstead	2	16	33	12
Kentish Town	11	102	213	79
Kilburn High Road	7	64	133	49
West Hampstead	2	22	45	17
Neighbourhood Centres	10	93	194	72
Elsewhere in Camden	-1,312	-1,158	-972	-1,198
<b>Total Convenience Goods Floorspace Capacity (sqm net)</b>	<b>-2,657</b>	<b>-2,040</b>	<b>-1,294</b>	<b>-2,201</b>

Note: Assumes Equilibrium at Base Year (2023) and Constant Market Shares

**Table 2 Forecast Capacity for Comparison Floorspace in Camden (Table B5.31)**

Comparison Goods Capacity (sqm net)	2028	2033	2038	2041
Camden Town	-653	-410	-194	-308
Finchley Road / Swiss Cottage	-21	75	161	115
Hampstead	-28	100	213	153
Kentish Town	-558	-290	-51	-178
Kilburn High Road	-33	119	255	184
West Hampstead	-7	27	57	41
Neighbourhood Centres	-40	142	304	219
Elsewhere in Camden	-2,721	-923	677	-168
<b>Total COMPARISON Goods Floorspace Capacity (sqm net)</b>	<b>-4,061</b>	<b>-1,159</b>	<b>1,422</b>	<b>58</b>

Note: Assumes Equilibrium at Base Year (2023) and Constant Market Shares

- 6.4 The assessment shows that:
- For **convenience goods**, there is no requirement for any additional provision in the borough until beyond 2041 once allowance has been made committed developments that are likely to include convenience retail. The increasing oversupply of space in 2041 compared with 2038 reflects the lower population forecasts for the end of the plan period and continued improvements in sales efficiencies;
  - At a centre level small amounts of convenience capacity emerge during the plan period in centres where no allowance is made for permitted developments, namely Finchley Road / Swiss Cottage and Kentish Town TC, although in both cases the scale of this need is extremely small (less than a single convenience store operated by a national multiple). This potential 'need' should be treated with caution given it is identified as a need emerging towards the end of the

plan period. Also, in both cases it would be more than met if convenience floorspace were to be provided within the committed development at 152-156 Kentish Town Road (which for the purposes of this assessment we have assumed would be used for comparison sales) or within the O2 redevelopment. The latter is considered a likely scenario. However, even if the need for additional provision is not met in this way, it is likely that it could be accommodated within the existing stock of space, either through the reoccupation of vacant space or changes in the offer provided in existing units which would not require planning permission;

- for **comparison goods**, there is no requirement for any additional provision in the borough until beyond 2038 once allowance has been made committed developments that are likely to include comparison retail. After 2038 demand falls again however, reflecting the lower population forecasts for the end of the plan period and continued improvements in sales efficiencies; and
- At a centre level small amounts of comparison capacity emerge during the plan period in centres where there are currently no committed retail developments but the scale of this need is extremely small, with largest requirement seen in Kilburn High Road in 2038 and 2041 (around 200 sqm net). This potential 'need' should be treated with caution given the centre is on the borough boundary and this assessment makes no provision for planning approvals or changes that may be occurring in neighbouring Brent. However, even if a need for additional provision does emerge towards the end of the plan period, it is likely that this could be accommodated within the existing stock of space, either through the reoccupation of vacant space or changes in the offer provided in existing units which would not require planning permission.

6.5 It should also be noted that these forecasts make no allowance for existing retail units that are currently vacant.

## COMMERCIAL LEISURE CAPACITY

6.6 Forecasting the need for new leisure uses is more problematic than for retailing, as the sector is highly complex and dynamic. The demand for existing and new leisure uses and facilities is particularly sensitive to changes in economic, demographic, lifestyle and fashion trends and those in the business are often unable to look more than a few months ahead.

6.7 From a planning policy perspective therefore the key to meeting future, as yet unknown needs, will be the development of policies that can accommodate the changing needs of the sector and can operate in the real world. This includes recognising that for many leisure uses the level for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified. For instance, a new cinema or bowling alley will need a certain number of screens or alleys to be commercially viable.

6.8 It is also the case that the recent changes to the Use Classes Order mean that the main commercial leisure sector in terms of spend – Food and Beverage encompasses both Class E and Sui Generis uses. As a result, any changing demand for restaurant and café uses is likely to be met by changing uses within the existing or committed town centre floorspace. This trend was already apparent before 2020 with many developments seeking permission for flexible A1/A3 uses but now, given that planning permission is not required to change between these uses.

## 7. TOWN CENTRE POLICY & STRATEGY RECOMMENDATIONS

- 7.1 Retail and town centres are changing and the key focus of this report has been to look at the health of Camden's centres and the expected changes in town centre uses that we expect to see in the next 10-15 years. Our thoughts on which policies in the Local Plan require revision and recommendations on changes is provided below.
- 7.2 The starting point for this is national and regional planning policy in the form of the NPPF and national legislation and The London Plan which together set out what needs to be included within a Local Plan and provide the overall planning policy framework. Both have been updated since the current Camden Local Plan was adopted but the approach towards town centres has not changed significantly.
- 7.3 Changes to the 2020 Use Classes Order and the subsequent implications for what changes to uses may require planning and which are now considered to be permitted development do need to be reflected in updated policies.
- 7.4 We would also suggest that any new or amended policies need to be worded in a way that reflects the many uncertainties that are currently being seen in the economy generally and specifically in terms of how this and other factors are affecting our town centres. In order to develop policies that provide the necessary framework to achieve the Council's long term ambitions, land use flexibility will be the key.

### POLICY RECOMMENDATIONS – THE RETAIL HIERARCHY

- 7.5 The NPPF requires planning policies to define a network and hierarchy of town centres and promote their long term vitality and viability (NPPF, para 86(a)), by allowing them to grow and diversify in a way that can respond to the rapid changes being seen in the retail and leisure industries.
- 7.6 At the present time Camden's retail hierarchy and network of centres is defined in part in The London Plan (Policy SD8) and in the Camden Local Plan (Policies G1 and TC1). The current designations reflect the unique circumstances seen in the Central London Area, where some centres provide a mix of uses aimed at the visitor market, or a specialist offer that necessarily requires national or even international catchment. These centres operate alongside a more traditional hierarchy of centres that meet the needs of their local catchment.
- 7.7 As part of this study, we have reviewed the currently designated centres and areas and our conclusions on the health of the centres is provided in Volume C, with our more detailed advice provided below. However, we have also considered whether there is any need to make any changes to the defined centre hierarchy or terminology and would conclude as follows.

#### Central London

- 7.8 Much of the southern part of the borough is within the Central London Area defined in The London Plan and the area includes a number of higher order centres and specialist designations namely:
- The West End which is defined as an International Centre (covering parts of Westminster and Camden);
  - Euston Road (part) which is defined as a Central Activity Zone (CAZ) retail cluster/Central London Frontage (CLF);
  - High Holborn/Kingsway which is defined as a CAZ retail cluster/Central London Frontage (CLF);

- King's Cross/St Pancras which is defined as a CAZ retail cluster/Central London Frontage (CLF); and
  - Tottenham Court Road which is defined as CAZ retail cluster/Central London Frontage (CLF).
- 7.9 Three of the CAZ CLF areas are designated in the Camden Local Plan and we agree should continue to in any future Local Plan.
- 7.10 The fourth CAZ retail cluster referred to in the London Plan is Euston Road, which forms part of the King's Cross/St Pancras CLF.
- 7.11 The CLA also includes five Specialist Retail / Shopping Areas, all of which have their own unique retail or other town centre offer.
- 7.12 These centres serve distinct customer bases and often have an extensive draw differentiating them from more traditional town and district centre offers. Our review has shown that all remain important draws for the borough and their separate designation is appropriate so that area specific policies can be applied as required.

### North of the Borough – the Town Centres

- 7.13 The northern part of the borough includes the six town centres designated in the Camden Local Plan – Camden Town TC, Finchley Road / Swiss Cottage, Hampstead, Kilburn, Kentish Town TC and West Hampstead. In the London Plan Camden Town TC and Kilburn are classified as major centres, whilst the other centres plus Cricklewood (which is mainly located within LB Brent) are identified as district centres.
- 7.14 We consider that the size of **Camden Town TC** and its distinct offer, warrants it being a higher order centre than the other five and would suggest that in the emerging local plan it could be separately identified as a Major Town Centre, consistent with the London Plan.
- 7.15 **Kilburn**, which has the same designation as Camden Town TC in the London Plan is more difficult to advise on, as only half of the centre is within the Camden borough. However, a review of the centre as a whole may be helpful in considering this matter further as would discussions with the LB of Brent. We note that this centre is the focus of the current One Kilburn initiative.
- 7.16 The other four centres appear to be appropriately designated.
- 7.17 The final centre to consider here is **Cricklewood Broadway** which is currently defined as a Neighbourhood Centre in the Local Plan but the London Plan defines the larger centre, including the areas in the LB Brent, as a district centre.
- 7.18 As with Kilburn, a review of the centre as a whole may be helpful as would discussions with the LB of Brent, to ensure that the centre continues to adjust to the changing needs of its catchment population.

### Neighbourhood Centres

- 7.19 The health checks for the 37 neighbourhood centres in the borough, suggest the majority of them are appropriately designated and the retail hierarchy does not require revision in this respect. The only exceptions are:
- **Chalk Farm** – this is a very small centre that is overshadowed by nearby Camden Town TC and currently has a high vacancy rate. It is questionable whether the centre continues to provide an offer expected of a neighbourhood centre;

- **Cricklewood Broadway** – discussed above; and
- **Lismore Circus** – this is a very small centre that provides a very limited range of uses. It is recommended that its designation is changed from a Neighbourhood Centre to a local parade.

### New Designations in the Hierarchy

7.20 The final consideration in terms of the retail hierarchy for Camden, is whether there are any new retail concentrations that should be added, with the recent development at King’s Boulevard and Coal Drops Yard a particular consideration.

7.21 In addition to the existing CLF and station-based retail provision, the comprehensive redevelopment of the wider area has resulted in two new retail/commercial areas being developed, both with their own distinct character:

- **King’s Boulevard**, the redeveloped area between St Pancras and King’s Cross stations which provides a wide range of F&B outlets and specialist retail outlets; and
- **Coal Drops Yard** to the north of the canal which includes a range of retail and F&B units in refurbished, former industrial premises.

7.22 The area also hosts several markets including:

- Canopy Market – covered market held every Friday – Sunday at Coal Drops Yard;
- Lower Stable Street Market – B Corp Certified weekend market curated by Kiosk N1C; and
- Shotengai pan-Asian Market – held monthly (Friday – Sunday) at Lower Stable Street.

7.23 The Barclaycard data suggests that this area is an important location for shopping and leisure activities, but with the majority of spend coming from outside of Camden, despite the convenience anchor in the form of Waitrose.

**Table 8.1 Spend at King’s Boulevard and Coal Drops Yard**

	Spend from Zones 1-4 (£m)	Total Spend (£m)	% from Zones 1-4
Convenience	£12.5	£48.08	26%
Comparison	£6.9	£98.6	7%
Food & Beverage	£5.84	£133.11	4%
<b>Total</b>	<b>£25.24</b>	<b>£279.79</b>	<b>9%</b>

Source: Barclaycard and Experian Location Analyst

7.24 Footfall data shows that the area is not attracting as many people as the King’s Cross CLF area but footfall is still significant and generally consistent during the course of the day and at weekends:

Figure 8.2: Footfall Heatmap King's Cross / Coal Drops Yard (August 2023)

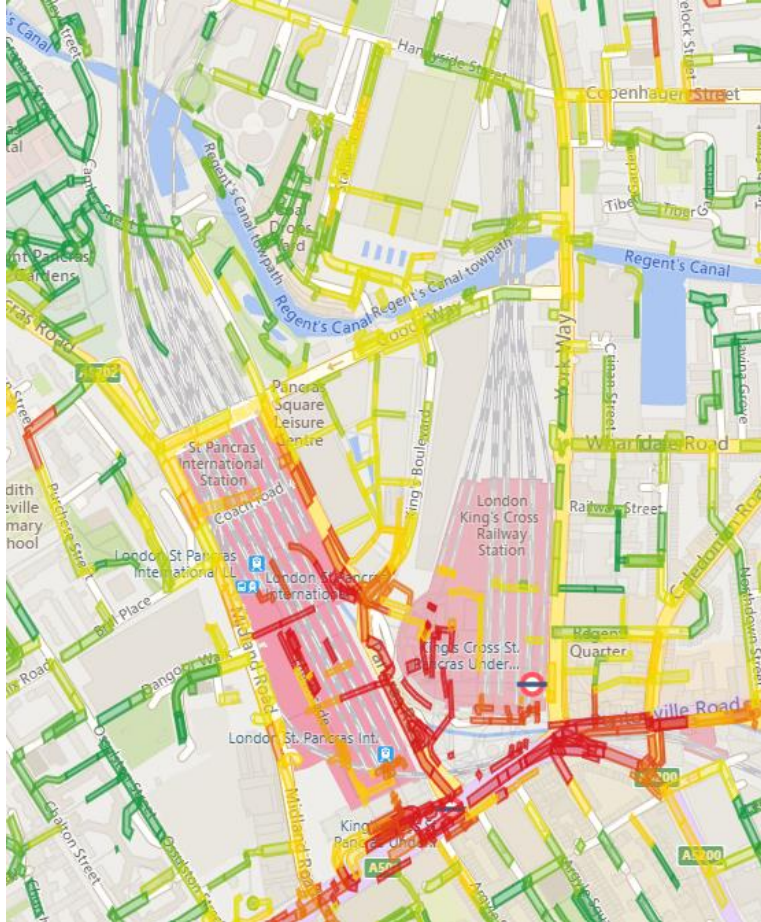
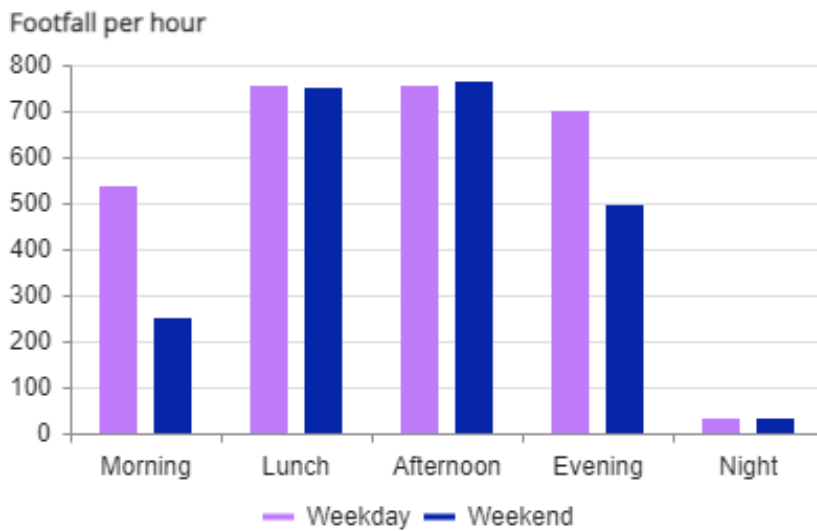


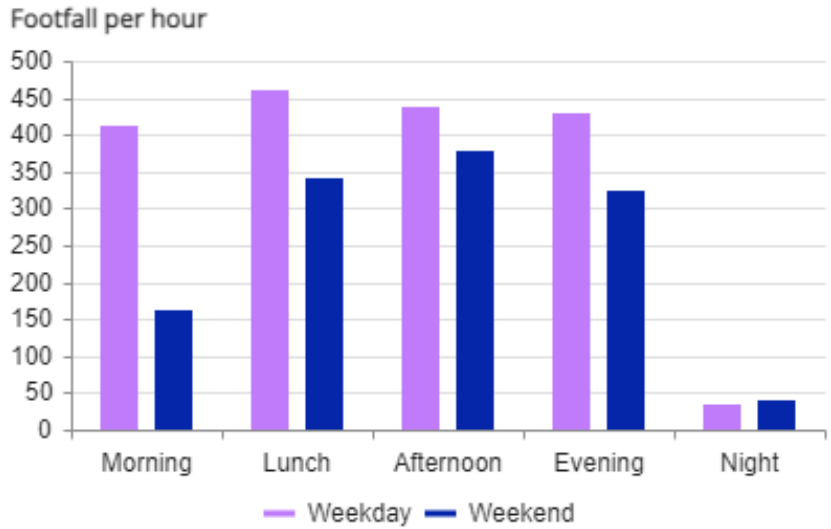
Figure 8.3: Footfall at Granary Square (August 2023)



Source: DATSCHA



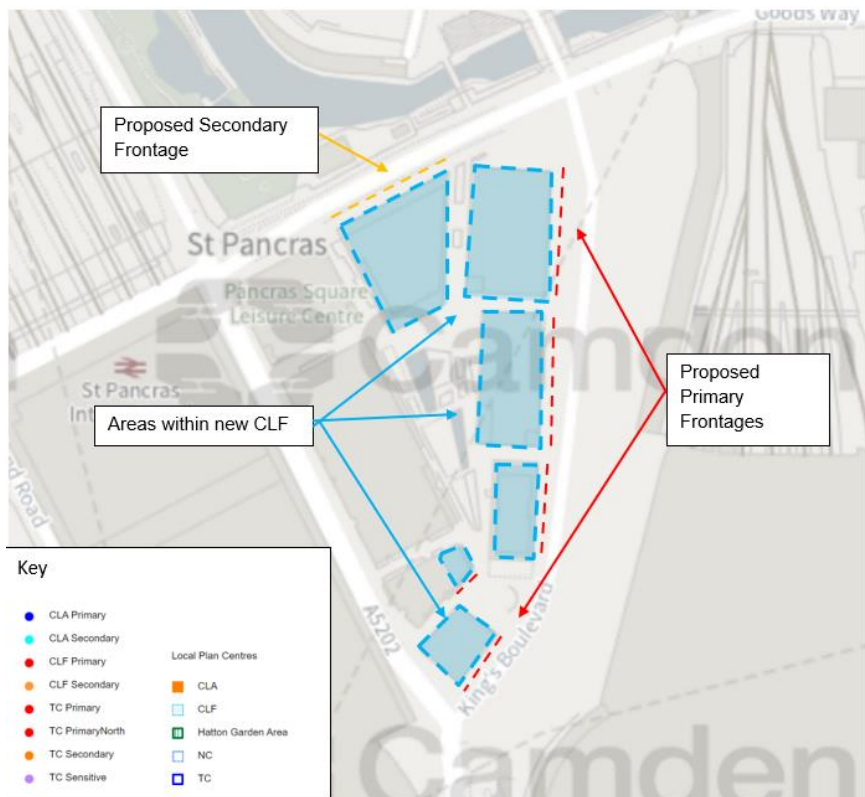
Figure 8.4: Footfall at Stable Street (August 2023)

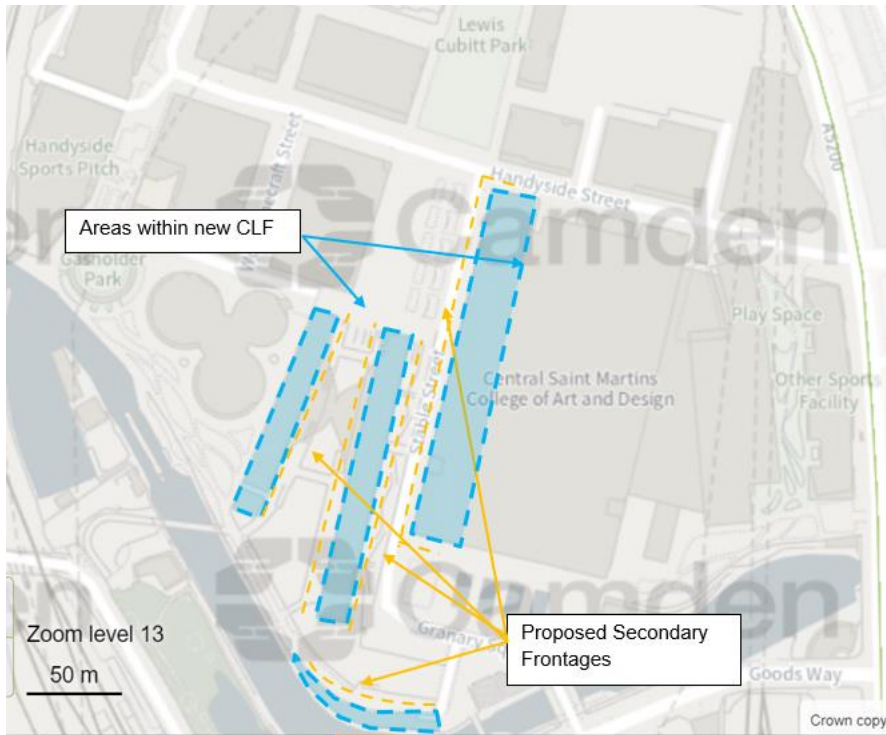


Source: DATSCHA

7.25 This would suggest that this is an important area for leisure activities, particularly for specialist retail and F&B. As the location is physically separate from and offers a different function to the King’s Cross CLF, we would suggest that consideration should be given to defining King’s Boulevard as a CAZ Retail cluster (Central London Frontage) and Coal Drops Yard as a Specialist Shopping Area.

7.26 Suggested boundaries are shown below:



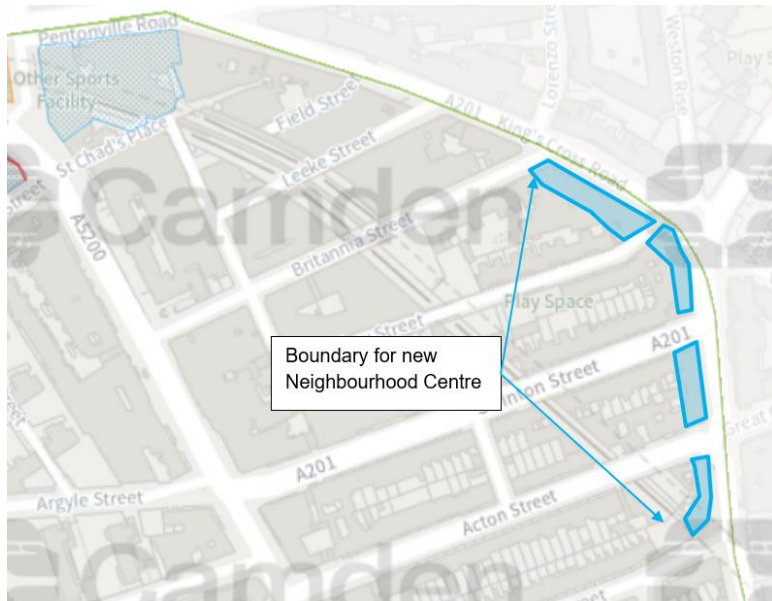


7.27 We would also suggest that two new Neighbourhood Centres are required to reflect current retail provision in the borough, at Haverstock Hill South and King’s Cross Road. The suggested boundaries for each are shown below.

**Haverstock Hill South**



## King's Cross Road



### POLICY RECOMMENDATIONS - TOWN CENTRE AND PRIMARY SHOPPING AREAS

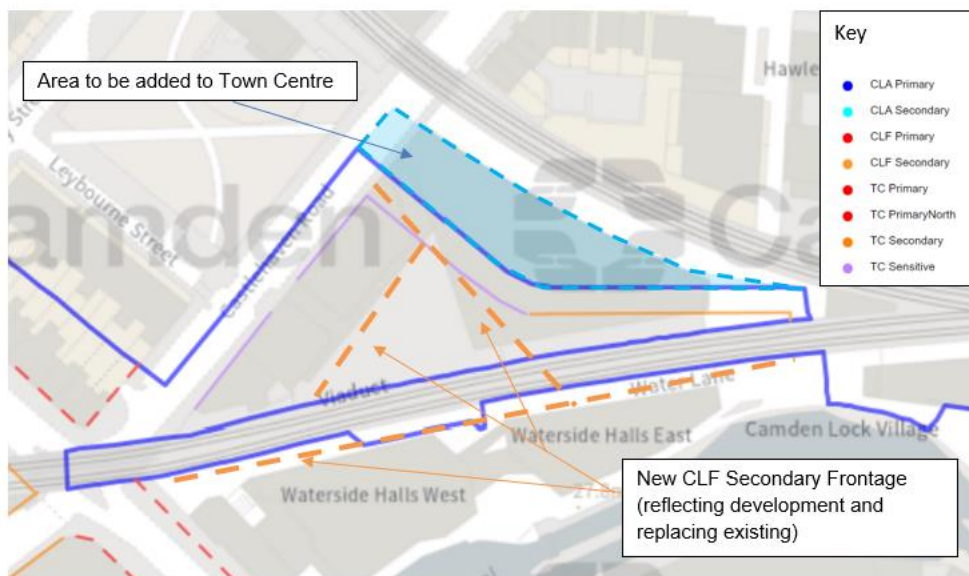
- 7.28 The NPPF also requires development plans to have planning policies that define the extent of town centres and primary shopping areas (PSAs) (NPPF, para 86(b)) and to specify the range of uses permitted in such locations as part of a positive strategy for each centre. The London Plan also expects local authorities to define the detailed boundaries for the CAZ, town centres and other town centre designations (Policy SD4).
- 7.29 The centre boundaries and primary and secondary frontages for the different types of centres in Camden are currently defined in the 2017 Local Plan.
- 7.30 In many locations in the UK, the decline in the demand for retail space has led to a need to consider reducing the extent of the defined retail areas and sometimes the town centres as well. However, in Camden there continues to be a strong demand for space, as evidenced by the low vacancy rates in most of the centres.
- 7.31 However, at the same time the retail capacity assessment has indicated that there is no requirement to allocate new retail sites for development. As a result, we consider that generally the current frontages and centre boundaries will remain appropriate for the new Local Plan.
- 7.32 The only exceptions we have identified are as follows:

#### Camden Town Town Centre

- 7.33 We note that the town centre boundary for Camden Town has historically been drawn more broadly than the other town centres in Camden to encompass secondary retail frontage along side streets and small areas of employment and leisure uses (particularly behind properties fronting onto the southern end of Camden High Street). There has been a relatively high degree of land use change in these areas, including the loss of retail and employment premises. We therefore recommend that the precise alignment of the town centre boundary is reviewed and where necessary, minor changes made to frontages to reflect these changes of use (e.g. Greenland Street, Greenland Road, Greenland Place, Pratt Street, Plender Street). Some of the designated “sensitive frontages” shown on the Policies Map

and in the Council's planning guidance also include areas subject to land use change and therefore a review of existing designations is likely to be needed.

- 7.34 We would also recommend minor changes to the Camden Town TC boundary to reflect the Hawley Wharf development.



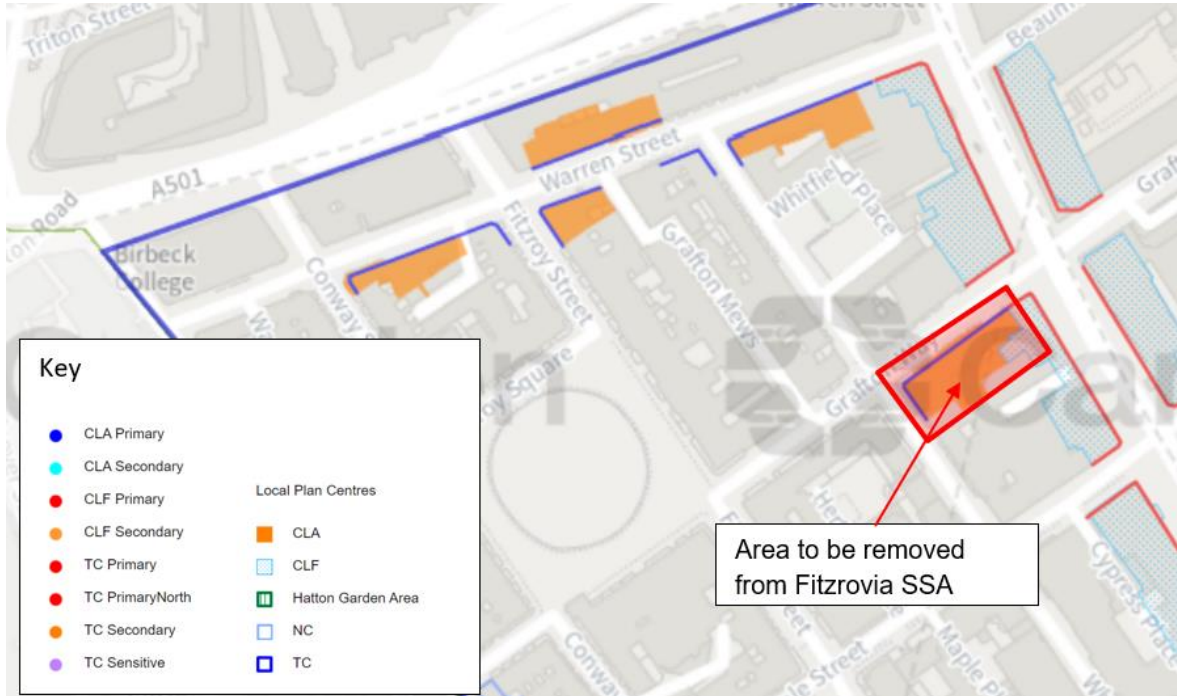
### **Fitzrovia SSA / Goadge Street Neighbourhood Centre**

- 7.35 We would also suggest that the boundaries for **Fitzrovia and south-west Bloomsbury SSA** should be reviewed as we consider the centre lacks the focus of the other specialist areas. The character of the area is also not as homogeneous as that seen elsewhere and it covers an extremely large area.
- 7.36 The central core of the area is Charlotte Street, which is an established destination for its food and drink offer. The side streets leading off from Charlotte Street (Tottenham Street, Windmill Street, Percy Street) potentially have a secondary role and have themselves, to varying degrees become more F&B orientated over time. Alternatively, one or more of the side streets may warrant being designated as a Neighbourhood Centre in their own right.
- 7.37 Within the existing Fitzrovia SSA, there is also evidence of changes in land use that have occurred (eg Windmill Street) which justify minor amendments to frontages. Further to the south, there is a limited amount of frontage present in Hanway Street (predominantly F&B), while Hanway Place appears to no longer have a retail or F&B function.
- 7.38 Warren Street to the north of the SSA is well separated from the core of the SSA and appears to have a similar mix of uses, character and function as already designated neighbourhood centres at Goadge Street and Cleveland Street.
- 7.39 The designated SSA frontage in Grafton Way is small in scale, fragmented and lacks a critical mass. We suggest this area (ie 33-45 Grafton Way) be de-designated.
- 7.40 We would also suggest that the **Goadge Street** area west of Charlotte Street should be reviewed, as the nature of the retail offer there has changed in recent years. There no longer seems to be a clear difference in the types of businesses operating within the area, which is currently split between the



Fitzrovia SSA and Goodge Street Neighbourhood Centre (NC). We therefore recommend that the two areas are combined and allocated to the NC.

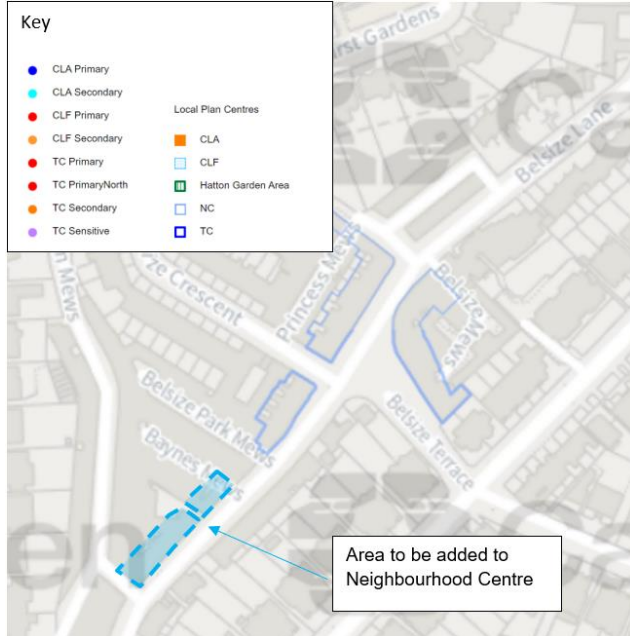
7.41 Our suggested changes are set out on the plans below, but we would suggest the area needs further review by the Council:



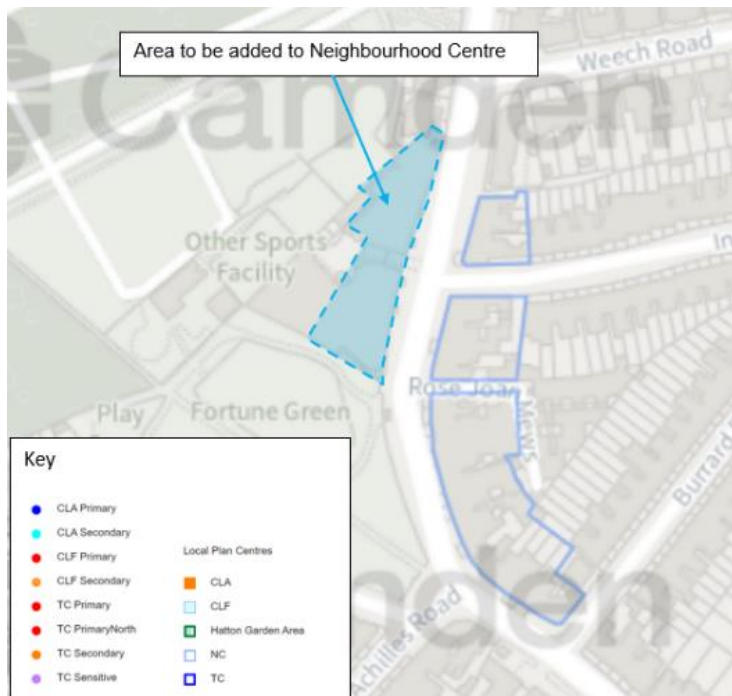
## Other Centres

7.42 Other suggested boundary changes for Camden's Neighbourhood Centres are as follows:

- **Belsize Lane** – consideration should be given to extending the centre boundary to reflect the distribution and composition of existing uses, specifically towards Daleham Mews (north side of Belsize Lane):



- **Fortune Green Road**– the properties to the north of Fortune Green Road are not currently included within the centre, although they include the main supermarket and other retail uses. We would suggest the boundary should be amended to include these uses:



- **Hatton Garden SSA / Leather Lane NC** – whilst Leather Lane appears to function as would be expected of a neighbourhood centre, it is also designated as part of the Hatton Garden area. It would be appropriate to consider whether policy support would be clearer if the centre designation or boundaries were to be changed to separate the two, given the very different offer provided:

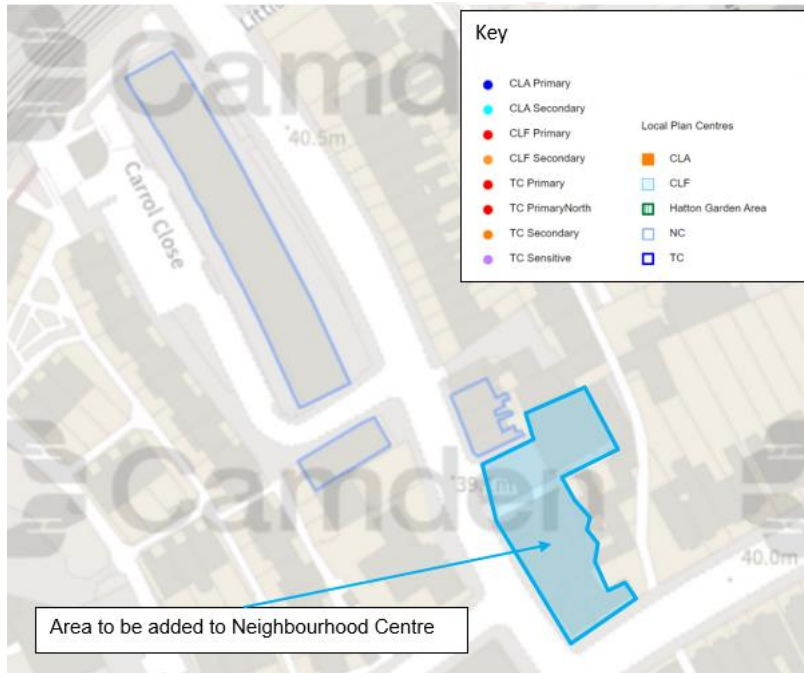


- **Highgate High Street** – we would suggest that the town centre uses at the eastern and western ends of the High Street should be included within the centre:

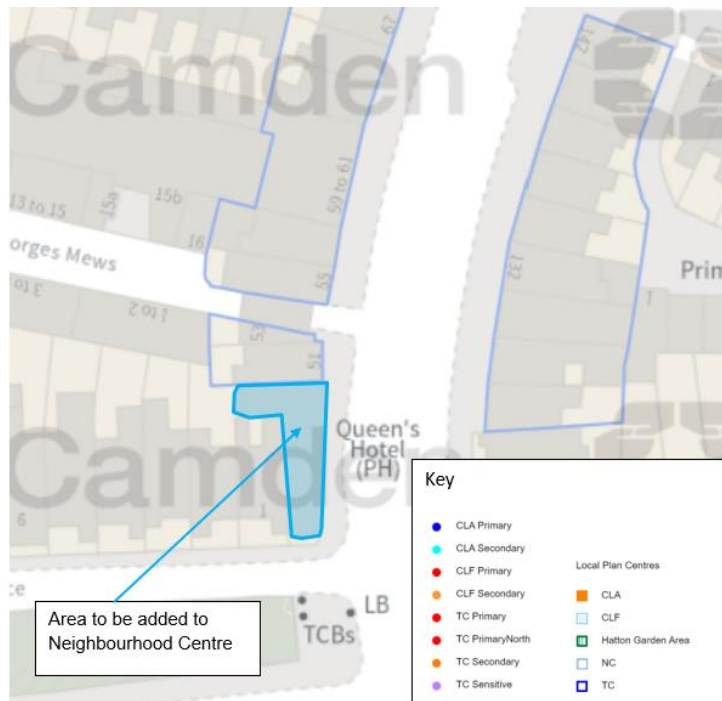




- **Highgate Road** – the area to the east of Highgate Road should be added to the centre given it is in retail and public house use:



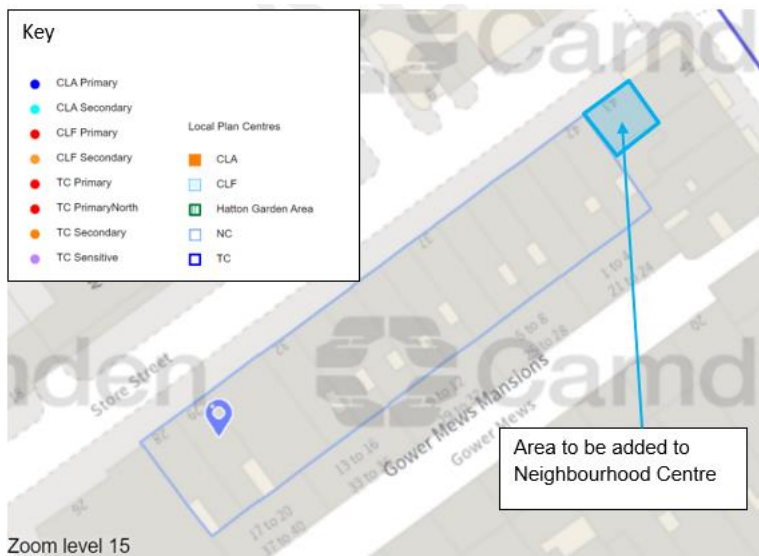
- **Regent's Park Road** – it is recommended that the centre boundary is extended southwards to include the existing public house



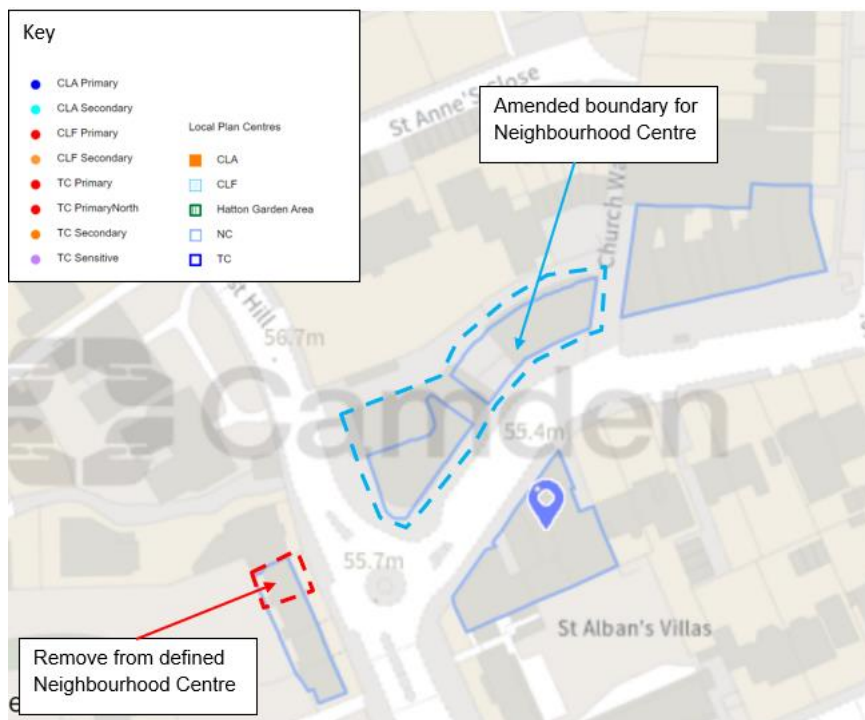
- **Royal College Street** – it is recommended that properties within the southern part of the centre are removed to reflect recent redevelopment that has occurred (east side) and to remove an isolated unit (west side);



- **Store Street** – the existing restaurant unit at the eastern end of Store Street should be added into the centre;



- **Swain's Lane** – changes to the centre boundary are required here to reflect recent changes in the centre. The boundary for the area to the east of Highgate West Hill needs amending to reflect the new building footprint, whilst the unit to the west which has been converted to residential use should be removed.



## POLICY RECOMMENDATIONS – OTHER POLICY UPDATES

7.43 In terms of the existing policies that apply to retail and town centre uses and centres within Camden, the following require review in the light of the findings of this study and changes to national planning policy and legislation:

- **Policy G1 Delivery and location of growth** – this policy will require updating to reflect the new retail capacity assessment that indicates that there is no requirement to allocate sites for the development of new retail floorspace.
- **Policy TC1 Quantity and location of retail development** – this policy will require updating to reflect the findings of the retail capacity assessment that indicated that there is no requirement to allocate sites for the development of new retail floorspace. However, alternative wording could be provided to indicate where new development for town centre uses would be supported, as, regardless of any retail capacity being identified, some targeted investment may still be important as part of area-wide high street regeneration schemes, or to improve a centre's qualitative offer during the plan period. This could relate to retail or town centre uses within mixed use developments. The requirement for a sequential approach to development remains in accordance with national planning policy as does the requirement for a retail impact assessment. However, the Council may wish to review the wording relating to the latter to also refer to leisure developments in accordance with the NPPF (para 90).
- The importance of maintaining or introducing uses that retain active ground floor uses should also be recognised, as should the unsuitability of many ground floor premises for residential development – given the heavy footfall, traffic and poor air and noise quality that can prevail in many of Camden's centres.
- **Policy TC2 Camden's Centres and other shopping areas** – we consider much of this policy will continue to be relevant in the future, but Sections (f) and (g) will need to be reviewed to reflect the introduction of Class E. Appendix 4 will also have to be revised.

7.44 We have not identified any requirement to modify the following policies:

- Policy C4 Public houses
- Policy E3 Tourism
- Policy TC3 Shops outside of Centres
- Policy TC4 Town Centre Uses.
- Policy TC5 Small and Independent shops
- Policy TC6 Markets

### **Other Matters For Consideration**

7.45 Our study and review of recent and on-going trends that may affect Camden's centres has also identified a number of other topics where the Council may consider further investigation is warranted, or which could be the subject of new policies in the emerging local plan, in order to promote positive changes.

### ***Meanwhile / Temporary Uses***

7.46 Whilst many of Camden's centres are likely to see the benefits of major development investment during the forthcoming plan period, the lead-in time for such projects can be long and it will be important that sites awaiting development do not blight an area, or that existing or emerging businesses are negatively impacted during the construction period.

7.47 The planned use of space for temporary 'other' uses such as pop-ups, or the creative industries should therefore be encouraged both as part of redevelopment projects and in secondary areas.

7.48 The 'meanwhile' use of space can have important benefits both in respect of addressing vacancies and in supporting the 'incubation' of new businesses and allowing them to establish a physical presence on the high street. Meanwhile uses can also support community organisations and provide space for one-off events, exhibitions, meetings, and classes.

7.49 Planning policy actively supports the flexible use of commercial units to allow space to be repurposed quickly. This is evident through the provisions of Class E of the Town and Country Planning (Use Classes) Order 1987 (as amended) which subsumes a range of different commercial uses to allow changes to occur without the need for planning permission.

7.50 In addition, the national planning policy requirement to establish primary and secondary shopping frontages was removed from the July 2018 iteration of the NPPF. The designation of shopping frontages has historically been aligned with development plan policies that seek to ensure that a proportion of the frontage remains in retail use. The change reflects the general presumption that high streets need to diversify and be less dependent on retail in order to remain at the centre of the local community.

7.51 Planning policy is therefore generally supportive of diversification of centres and the benefit of bringing in meanwhile uses to repurpose premises and generate activity.

7.52 In practice, the failure to fully embrace meanwhile uses can sometimes be attributed to the attitudes of private developers and landlords. In this regard, Power to Change's 'A High Street Revolution' report found that:

- traditionally, landlords and investors tend to be risk-averse, preferring to wait for the 'right' operator rather than taking a rent cut or experimenting with a temporary use;

- some landlords are wary of opening up sites to third party organisations as there is a perception that meanwhile uses could ‘take root’;
- given the uncertain nature of development, there is a fear that committing to a fixed-term meanwhile uses may constrain the developer’s future options;
- landowners often do not perceive the benefits of meanwhile activity, particularly in respect of its social value; and
- there are missed opportunities due to ‘optimism bias’ – redevelopment schemes can take longer than anticipated to come to fruition and commercial units can lay empty for extended periods as a result.

7.53 The ‘A High Street Revolution’ report identified that public and private stakeholders can provide additional support by developing a structure to encourage the meanwhile use of premises. This could include the development of a programme of support for meanwhile users – both existing and potential occupiers – that recognises their potential to revitalise vacant space and the need for successful operators to find permanent premises. The report also advocates the identification of ‘meanwhile use champions’, possibly within shopping centre management teams, who could match commercial and community meanwhile uses to opportunities on the ground.

### ***Expanding the Night-time Economy in the context of the 24 hour City***

7.54 The importance of a growing night-time economy has previously tended to concentrate on expanding and accommodating entertainment related demands but, as recent work by the GLA has shown, having a 24 hour city relates to many other activities and encouraging and supporting those activities and the people engaged in them, requires more wide-ranging considerations.

7.55 The GLA’s ‘Developing a Night Time Strategy’ guidance confirms that the majority of Londoners are active at night. The period after 6pm is critical in terms of socialising, eating out, playing sports and exercising, and running errands. However,

*“1.6 million Londoners also work during the evening and night time. They create internationally renowned art, and perform for, serve, transport, look after, protect and nurse local and visitors. They sort and deliver goods and help clean, maintain and prepare spaces and infrastructure, ready for the next day.”*

7.56 These workers include 191,000 workers in health; 178,000 in professional services; and 168,000 in cultural and leisure activities and there has been higher growth in employee jobs throughout the city in night time industries, with the sector growing at an average annual rate of 2.2% between 2001 and 2017 compared to 2.0% overall.

7.57 Many of these jobs are provided in or close to Camden and many are likely to be undertaken by Camden residents. It is therefore critical that representatives of night time industries are key stakeholders in establishing the challenges, opportunities, aspirations, and priorities associated with the night time economy and in formulating strategies that ensure that the night time environment is safe, accessible and relevant to all.

7.58 We note that the Council is already undertaking important work in this area, with a report on an Evening and Night Time Strategy for the Borough presented to Council on 20<sup>th</sup> November 2023 as part of a themed debate on the topic.

7.59 The approach being adopted has clearly been informed by the GLA guidance ‘Developing a Night Time Strategy’ which identifies 15 actions which London Boroughs may wish to explore in order to meet the needs of residents and support a varied night time economy.

7.60 Camden's work to date has identified eight key principles for the strategy and these will inform the next stages of strategy development:

- Working together
- Our inclusive community
- Safe & convenient transport & facilities
- Place & space
- Inclusive economy & business
- Liveability & wellbeing
- Being safe & feeling safe
- Culture, creativity & heritage.

7.61 The land use implication of the strategy will need to be reflected in the Local Plan.

### ***Markets***

7.62 Markets, whether permanent as is the case in Camden Town or the temporary street markets seen operating elsewhere in the borough, are an important part of the overall retail offer in the borough and are an important draw for both local residents and visitors. However, spend at markets is classified as a Special Form of Trading, as is online shopping. As a result, the capacity for further market provision is not reviewed in this study. However, it will be important that existing markets are supported and opportunities to develop new ones or expand existing (whether physically or through enhanced hours of operation) should be supported where possible.

7.63 Where decline in provision is seen, the need to maintain a minimum level of offer needs to be secured to ensure sufficient footfall and interest. This may require changes to the offer to encourage new users or traders.

7.64 Where new developments include spaces that could be suitable for markets in the future, it will be important that the adequacy of the space and its ability to accommodate a minimum number of stall holders and related services is properly assessed.

### ***Flexible and Mixed Uses***

7.65 The changes to the Use Classes Order in 2020 has already introduced the more flexible Class E use which means many town centre uses are now considered to be in the same use class as retail, allowing the flexible use of premises without the need for planning permission. However, as technological changes mean new uses, products and markets may emerge during the plan period, further flexibility in the Council's approach to land use may be required, either to accommodate new retail or service markets or the multi-use of a single premises.

7.66 This could be especially important for new and developing businesses.

The positive or negative effects that new proposals may have on footfall at different times of day may be one measure that can assist the Council in assessing the effects of such changes and the extent to which they support or enhance a centre's offer.

-----End-----



