Milton Keynes Council Core Strategy Examination in Public

Response of Legal & General Assurance Society Limited to the Inspector's Matters and Issues (273027)

Matter 4 – Economy and Town Centres
Contents

1 Introduction............................................................................................................. 3
2 Matter 4 – Economy and Town Centres......................................................... 4
1 Introduction

Background Context

1.1 This statement has been prepared by Drivers Jonas Deloitte on behalf of Legal & General Assurance Society Limited (L&G) to respond to the following Matter raised by the inspector as part of the Independent Examination of the Milton Keynes Core Strategy Development Plan Document (DPD):

- Matter 4 - Economy and Town Centres.

1.2 L&G has also responded in separate statements to:

- Matter 2 - Development Strategy, Settlement Hierarchy; and,
- Matter 5 - Transport.

1.3 All responses to the Inspector’s Matters and Issues are made in the context of L&G’s asset, Midsummer Place shopping Centre, Milton Keynes (Midsummer Place).

Midsummer Place

1.4 L&G is the owner of Midsummer Place located in Central Milton Keynes. Midsummer Place forms part of the town’s main shopping area and comprises circa 40,000 sq m of retail floorspace.

1.5 L&G is a long term investor in the central area of Milton Keynes and is continually seeking to improve the existing retail offer of Midsummer Place. Discussions are also on-going with council officers on the development of further retail floorspace through an extension to Midsummer Place.

1.6 As a landowner and investor in the town centre L&G is keen to ensure that local retail policy correctly reflects national guidance which encourages development which supports the town centre first. In particular L&G seeks to ensure that retail policies recognise that Central Milton Keynes should be the focus for retail investment and that additional retail should be focused in the Primary Shopping Area in the first instance.

Previous Representations

1.7 On behalf of L&G we have submitted representations to each stage of the Core Strategy. These representations still remain valid and include:

- Issues and Options (March 2007);
- Preferred Options (November 2007);
- Pre-Submission Version (March 2010); and,
- Conformity with SEPlan (August 2011).
Issue 4.1

i) Is the proposed jobs per dwelling ratio properly justified?

ii) Is the Employment Land Study scenario 2 still relevant, given the economic downturn, and is it supported by demographic evidence?

iii) Is the jobs per dwelling ratio consistent with wider planning objectives and strategies for the sub-region and beyond?

iv) How does it relate to the information in Table 5.3?

   2.1 No comment.

Issue 4.2

Is there a sound basis for the promotion of knowledge-based employment, and for less emphasis on logistics and warehousing employment?

   2.2 No comment.

Issue 4.3

Will the existing and proposed employment locations provide the quantity and range of sites that are required to meet the identified needs?

   2.3 No comment.
Issue 4.4

Is there sufficient guidance about how an appropriate balance between provision of office and high technology floorspace in Central Milton Keynes (CMK) and the rest of the borough will be achieved?

2.4 No comment.

Issue 4.5

Should Policy CS 3 provide a steer for the re-allocation of sites referred to in paragraph 5.25 of the Core Strategy and if so, how should this be done?

2.5 No comment.

Issue 4.6

Is there clarity about the status of Central Milton Keynes in regional and sub-regional terms? Is its role and potential for growth appropriately reflected in the Core Strategy?

2.6 It considered that the Milton Keynes Core Strategy does not sufficiently emphasise the status of Central Milton Keynes and its role and potential for growth and its need to change and develop.

2.7 The adopted South East Plan (2009) identifies Milton Keynes as a growth area, a centre for significant change and also as a “diamond for investment and growth”. With the expectation to evolve significantly. Central Milton Keynes (CMK) is identified for significant growth as a Primary Regional Centre.

2.8 The Coalition Government intends to abolish RSS under Section 109 of the Localism Act. However, RSS’s currently remain in place until a formal process of testing the impacts of their revocation in respect of Strategic Environmental Assessment (SEA) is complete and the Secretary of State takes the formal step of issuing the instrument abolishing RSS’s. At the time of submission of this Statement, the South East Plan (2009) remains a material consideration in the determination of planning applications. The evidence base that underpins the policies and assumptions of the South East Plan remains and post abolition of the RSS’s will continue to be both relevant and valid.

2.9 The introduction, context and spatial elements of the Core Strategy do make clear the sub-regional role of CMK, but not its regional role.

2.10 The Core Strategy recognises that growth is essential to maintain and improve economic prosperity and that as a sub-regional centre it should continue to development as such. In light of wider economic changes over recent years, the over-riding targets have been adjusted to reflect up-to-date predictions and the move from regional policy to economic geographies. Notwithstanding, this adjustment, the Core Strategy is clear in stating that further growth is planned for.

2.11 The detailed policies for CMK focus on its regional role, particularly in light of retail. However this is not made clear through the Core Strategy objectives. The NPPF states that significant weight should be placed on the need to support economic growth through the planning system in order to build a strong and competitive economy.
2.12 The success and viability of town centres, CMK in this instance, is recognised as being of national importance to the Government through the NPPF and the Portas Review. These documents place town centres at the heart of communities and seek to ensure a network and hierarchy of centres is defined, which is resilient to anticipated change.

2.13 This updates but also reflects the South East Plan which specifically identifies CMK as a Primary Regional Centre and where major retail should be located, with no out-of-centre demand until 2026 (to which our submission statement on Matter 4, Issue 4.7 relates).

2.14 In regional and sub-regional terms CMK should be the emphasis for growth and change within the local authority area. Given this clear emphasis, the Core Strategy needs to be consistent in recognising CMK’s role in the settlement hierarchy as well as the retail hierarchy and strengthen the associated policies accordingly (to which our submission statement on Matter 2, Issue 2.2 relates).

2.15 L&G support that CMK is identified in Table 5.5 of the Core Strategy as a Regional Shopping Centre and at the top of the retail hierarchy with the largest concentration of shops and commercial uses in the city.

2.16 The hierarchy for retail and leisure provision is clearly established. In line with NPPF, if there are any proposals for main town centre uses which cannot be accommodated in or adjacent to town centres the specific policies should be set for their consideration. The explanatory text for retail and leisure provision as currently drafted undermines and conflicts with the detailed policy wording and clear hierarchy of Table 5.5 and CS 4.

2.17 In line with the above comments it is inappropriate for the Core Strategy to be promoting town centre uses in out-of-centre locations as encouraged in Paragraph 5.39 of the Core Strategy. Accordingly, paragraph 5.39 of the Core Strategy should be updated to establish CMK as ‘the’ focus for sub-regional or regional catchment. References to other locations, which are not consistent to CS 4, should be deleted.

2.18 Further, Table 5.7, sets out the overarching development strategy for Milton Keynes which should, but currently does not, reflect the policy emphasis and hierarchy of CS1 and take into account subsequent detailed polices of CS2, CS3 and CS4. Paragraph 5.49 notes that the table was prepared in 2009 and is not clear whether this has been updated through the Core Strategy.

2.19 The references to the ‘areas of change’ in Table 5.7 do not relate to the hierarchy set out in CS1 (to which our submission statement on Matter 2, Issue 2.2 relates) and conflicts with other policies in the plan. This includes the following areas.

- CMK has no clear policy definition of the town centre and primary shopping area for main retail uses (to which our submission statement on Matter 4, Issue 4.7 ii relates).

- ‘Other areas within MK city’ states that retail will be resisted in out-of-centre locations. References to enabling the development of Denbigh North and the Stadium Complex as a leisure and retail destination is in conflict with Table 5.5 and policy CS 4 and NPPF approach which requires town centre uses to be located in town centres.

2.20 The Core Strategy’s reference within explanatory text and tables to increasing development of town centre uses (retail and leisure) in out-of-centre location is contradictory to its main policies and should be deleted.

2.21 The potentially negative and harmful impact that out-of-centre retail developments can have on existing town centres is a national issue and one the Government is taking seriously, with a defined town centre first approach in the NPPF.
2.22 Concern has been raised by L&G over the consent for incremental increase in out-of-centre retail and leisure developments. Whilst CMK is currently seen as a success and trading well compared to other centres, its current trading cannot be taken for granted.

2.23 Research by FSP conducted on behalf of L&G (March 2012) indicates that if more out-of-centre retail is approved it could irrevocably damage retail in CMK. Taking into account out-of-centre units under construction, it is estimated that 45% of total net selling space and 31% of total sales in MK are out-of-centre and approximately 26% of units are occupied by major retailers in out-of-centre locations.

2.24 Whilst the balance of retail selling space and total sales currently remains tipped in favour of allocated centres, further out-of-centre development in the local authority area would continue to erode this emphasis on the primary shopping area of CMK to its detriment.

2.25 Accordingly, the Core Strategy polices for retail and leisure development need to remove the conflicting policies from the explanatory text and tables and retain the establish hierarchy of retail development as set out in Table 5.5, together with the establishment of a defined primary shopping area within CMK.
Issue 4.7

With regard to the Borough’s town centres generally:-

i. taking account of the retail capacity update study (August 2011), does the Core Strategy provide a reasonably robust but flexible policy framework for retail and leisure development?

ii. is policy approach consistent with national policy?

iii. is it clear how any existing deficiencies in provision will be addressed?

Retail Capacity Update Study

2.27 It is considered that the Core Strategy does not accord with and give strong enough emphasis to the key recommendations outlined in the updated retail capacity study and in particular paragraph 4.39.

2.28 The Core Strategy references the February 2010 Retail Capacity and Leisure Study. An update of this study was finalised in August 2011 to take into account revised population forecasts, reduction in housing numbers, update in data inputs and include new commitments.

2.29 Table 5.6 of the Core Strategy is out dated and does not accord with the floorspace requirements set out in updated retail capacity study (2011). It is considered that the Core Strategy provides too much detail on specific quantum’s of retail floorspace and phasing (i.e. Table 5.6) which has the potential to change over the plan period as noted in Paragraph 5.36.

2.30 It is, therefore, considered that Table 5.6 should be removed together with updated references to the relevant study. The Core Strategy should indicate that specific quantum’s of retail floorspace and phasing should be indicated in the most up-to-date retail and leisure capacity studies. This provides both a robust but flexible approach to meet the changing needs of Milton Keynes.

2.31 The updated retail capacity study (2011) places a strong emphasis on CMK and also smaller scale comparison floorspace to meet the retail needs of town and district centres within the borough.

2.32 The updated retail capacity (2011) study further recognises (paragraph 4.41) that there are physical opportunities for further high quality retail led development in CMK that will maintain its role and also a need to ensure investor confidence remains in CMK by channelling occupier demand to flagship opportunities that are critical to the future growth of the centre.

2.33 Whilst the regeneration and controlled expansion of District Centres in the local authority area is encouraged, any development in these locations should support the town centre first approach and reflect the Centre’s standing in the retail hierarchy and limit the amount of significant retail development in out-of-centre locations (paragraph 4.39 of the 2011 updated retail capacity study.

2.34 At present, the supporting text surrounding retail and leisure provision undermines the retail hierarchy outlined in Table 5.5 and Policy CS4, by providing scope for out-of-centre development. This will in turn undermine investor confidence in an allocated Regional Shopping Centre which as noted in the updated retail capacity study (2011) has physical opportunities to expand.

2.35 Research by FSP (June 2011) on behalf of L&G has demonstrated that Milton Keynes’ catchment contains 1.5m residents and 533,000 regular shoppers (including pull-in), providing a total spend of £9.6bn per annum (£5.2bn on non food).
2.36 Furthermore, population within the Milton Keynes catchment is expected to increase well beyond Great Britain’s average, by up to 5.5% to 2012 and by 9.1% by 2018, adding 134,000 residents to the catchment by 2018 (FSP June 2011).

2.37 Non-food shopper spend within Milton Keynes’ catchment is £1.7bn, with estimated sales in Milton Keynes at £516m. There is potential to significantly improve market share by capturing more spend from current shoppers as well as attracting additional shoppers to the town (FSP June 2011).

2.38 There is a realisable Trading Gap of £129m available to Milton Keynes, making the town one of the most attractive locations in the UK for both retailers entering the UK market and those looking to expand their current store portfolio (FSP June 2011).

2.39 Furthermore and as noted above (Issue 4.6), it is not considered that the current Core Strategy sufficiently reflects the dynamism in CMK in terms of both its physical opportunities and also the need to retain investor confidence.

Consistency with National Policy

2.40 Our submission statement on Matter 4, Issue 4.6 and 4.7 i. refers.

2.41 Since the Core Strategy was drafted, NPPF and the Portas Review have come into force as key policy documents.

2.42 In order to make the Core Strategy consistent with national policy (Paragraph 23 of the NPPF) and for the avoidance of doubt, it is considered that the area between Silbury and Avebury Boulevards, Saxon and Marlborough Gates should be identified explicitly and consistently as the **Primary Shopping Area** (as defined in the NPPF).

2.43 At present, the specific definition of the primary shopping area is referenced at paragraph 7.3 and at footnote 56.

2.44 It is, therefore, considered that the following changes should be made:

<table>
<thead>
<tr>
<th>Section</th>
<th>Proposed Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 5.5</td>
<td>Central Milton Keynes (<strong>Primary Shopping Area</strong>)</td>
</tr>
<tr>
<td>Policy CS4</td>
<td>The Planning Authority will grant planning permission for additional retail and leisure floorspace in <strong>accordance with</strong> the defined shopping centre hierarchy (in Table 5.5)</td>
</tr>
<tr>
<td>Policy CS4</td>
<td><strong>Regional Shopping Centre</strong>: Central Milton Keynes will function and develop as a regional shopping centre for comparison shopping and leisure development. Planning permission will be granted for additional comparison retail floorspace and other associated development in the area between Silbury and Avebury Boulevard, Saxon Gate and Marlborough Gate (<strong>the Primary Shopping Area</strong>). Central Milton Keynes also serves as a local centre and caters for the daily convenience needs of its increased workforce, and the daily and weekly needs of its growing residential population and the surrounding estates.</td>
</tr>
</tbody>
</table>
Policy CS7

“Central Milton Keynes is a modern and carefully planned new city centre but needs to continue to evolve and change. It will retain and enhance its role as a sub-regional centre and the city's focus for retail (within the defined Primary Shopping Area), office, hotel, leisure and cultural development, together with new housing and related facilities. …

Table 5.7 (page 41), CMK, column ‘Retail and Leisure’

Milton Keynes Primary Shopping Area primary retail centre, with an emphasis on supporting and enhancing the role of CMK as a regional centre and European destination.

Figure 7.1 Central Milton Keynes Location Plan

Key to read. Primary Shopping Area

2.45 As noted above and in order to give greater weight to national policy, L&G consider that the issue of out and edge of centre retail development should explicitly be referred to in Policy CS4. In line with the NPPF (Paragraph 27) the need to satisfy both the sequential test and also the impact test needs to be demonstrated, otherwise the application should be refused.

Is it clear how any existing deficiencies will be addressed?

2.46 Our submission statement on Matter 4, Issue 4.6 and 4.7 i. and 4.7 ii. refers.

2.47 In regard to retail and leisure uses the Core Strategy is not clear how existing deficiencies will be addressed due to the out of date references to the retail and leisure capacity study and the conflict between policies and explanatory text, despite being pro-growth.

2.48 The updated study states that future large scale retail development should be planned for in the Council’s DPDs and that it is important that CMK continues in its role as the dominant centre and that new floorspace is necessary to maintain its role as a major regional centre. (Our submission statement on Matter 4, Issue 4.6 refers).

2.49 The updated study recommends focusing new development in the existing shopping environment of CMK. This further articulates the need to explicitly define the primary shopping area of CMK as our statement on Matter 4, Issue 4.7ii. refers.

Word Count: 2,621 (excluding Section 1 - Introduction)
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