



ISLINGTON

Regeneration of Retail Areas Scrutiny Review

REPORT OF THE ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE



**London Borough of Islington
July 2017**

CHAIR'S FOREWORD

The Committee conducted a scrutiny into the regeneration of retail areas. The Committee's aim in doing so was to recommend measures that will increase Islington's appeal to businesses and customers while, at the same time, ensuring that its residents share in the economic benefits and job opportunities that a vibrant retail sector creates.

The Committee recognises the many challenges that Islington faces in this respect. It acknowledges the importance of the Council's work in supporting local businesses, in protecting and improving retail areas, and in providing facilities, but the escalating cost of doing business in Islington is of real concern. The report highlights the need for a programme of activities to support local businesses in dealing with the impact of increased rates, as well as in continuing to help in the development of sustainable enterprises.

The Committee also appreciates that the businesses in the sector play a valuable role in providing jobs and training opportunities for local residents, including young people, and that the Council is able to influence this through its partnerships and procurement policies.

Finally, the Committee is concerned that the Council will continue to consider ways of reducing the environmental impact of these areas by working with businesses over waste collection and consolidation of deliveries, and by encouraging shoppers and workers to use sustainable transport.

The Committee asks the Executive to adopt its recommendations, which it anticipates will help to ensure that Islington continues to be an attractive borough for shoppers and businesses.

Regeneration of Retail Areas Scrutiny Review

Aim

Evidence

The review ran from September 2016 until May 2017 and evidence was received from a variety of sources:

1. Presentations from witnesses – Councillor Asima Shaikh – Executive Member for Economic Development
2. Presentations from council officers – Ben Johnson, Career Grade Planner, Martijn Cooijmans, Team Leader – Planning and Projects E/W), Gemma Aked, Town Centre Development Manager)
3. The Committee received evidence from David Fordham, Service Trading Standards, Jan Tucker, Chair of Archway Traders Association and Christine Lovett, CEO of Angel's Business Improvement Bid (BID) regarding challenges and future prospects within the retail areas in Islington.

Objectives of the Review

The objectives of the review were as follows -

To look at the areas in need of regeneration and how the council decides where to allocate attention.

To consider upcoming opportunities for regeneration e.g. Farringdon Crossrail.

To look at areas that are currently underutilised e.g. some areas around tube stations.

To look at the tools available to the council when regenerating an area e.g. spatial planning and how these can be used more effectively.

RECOMMENDATIONS

1. Build strong partnerships with local employers and business forums to meet the aims of the Employment Commission and move towards a fairer Islington, in particular by encouraging local employers to undertake corporate social responsibility by creating employment and training opportunities for young people in Islington.
2. Develop a programme of activities supporting local businesses be developed to deal with the local impact of increased business rates, including the fair allocation of funds as part of the discretionary relief scheme.
3. Review and amend its procurement policies to secure social value, including benefits for local businesses, in particular SMEs.
4. Undertake activities to promote street markets and increase public awareness.
5. Facilitate workshops and seminars for SMEs and aspiring business owners.
6. The Council's Street Market's Strategy be updated to ensure that it supports local businesses.
7. During the review of the Local Plan, consideration should be given to suggestions on supporting local shops, town centres and SMEs, and as part of the Local Plan review, if required, to amend the boundaries of Islington's town centres.
8. Consider designating at least one area of Islington as a 'Cultural Quarter' as part of the Local Plan review process ensuring that this designation supports the council's wider economic development priorities.
9. Continue working with the GLA and other Central London boroughs to introduce an Article 4 Direction to continue to protect office floor space in the Central Activity Zone (CAZ) from Permitted Development rights for change of use from office to residential.
10. Continue working with the GLA and other Central London boroughs to introduce an Article 4 Direction to continue to protect office floor space in the Central Activity Zone (CAZ) from Permitted Development rights for change of use from light industry to residential.
11. Contact broadband providers and OFCOM, lobby for more affordable and faster broadband connections for local business and street traders.
12. Review parking requirements in town centres to support the day-to-day operation of local business in terms of loading and servicing provision, providing the necessary parking for disabled people, pay and display bays with an emphasis on encouraging visitors, shoppers and workers to travel to the town centres using sustainable forms of transport; i.e. widely available public transport, cycling or walking.
13. Provide an update to the Committee on the Council's planned response to the devolution on business rates.
14. Work in partnership with local businesses to address the problem with the collection of waste.
15. Explore and pursue opportunities for consolidated business deliveries in retail areas undergoing considerable regeneration.

1. **Policy (presented by Ben Johnson, Career Grade Planner)**

- 1.1. In the current policy there were four town centres (TC) which were identified in the Mayor's London Plan and central activities zones (CAZ) (Angel, Archway, Nags Head and Finsbury Park). Existing retail was protected across the borough and new, small shops of 80sqm or less were supported. Retail uses were directed to town centres in the first instance. This reflected government policy.
- 1.2. Core retail areas were protected in relation to primary frontages (where the aim was to maintain 70% retail) and secondary frontages (where the aim was to maintain 50% retail). There was a strong protection and enhancement of cultural uses such as theatres, cinemas and arts venues in town centres and the CAZ. In Whitecross and Exmouth markets there was a 35% threshold for A1 use so the council would seek to resist planning applications for a change of use if the level went lower than the threshold.
- 1.3. There were 40 areas across the borough designated by the local authority as local shopping areas. These were of differing sizes between 4 units and 200 units. They generally met day-to-day needs and were essential shops or provided essential services although there was also a distinct leisure role. A1 units were protected but local shopping areas had more flexibility of uses than town centres. There was no threshold of A1 units to try and retain.
- 1.4. The Finsbury Local Plan covered the CAZ in the south of the borough. There was a broad mix of uses in this area but significant development pressure. There was a global employment function (e.g. office space) but a need to provide services for local residents also.
- 1.5. The local plan review updated the evidence base, continued the protection of core retail areas in some form but with recognition of the changing retail landscape. Development in town centres would be prioritised in the first instance and the specific role of each centre would be recognised. The Local Plan was currently out to consultation which had started on 25 November and would run for three months. 250 groups on the planning policy database had been asked to contribute as had other groups and in addition posters and leaflets were distributed. The consultation gave people the opportunity to make suggestions about Islington's future and how it should develop in the next 15 years.
- 1.6. There was a pub policy to help protect against their loss. Pubs had permitted development rights unless they were designated as a community asset. However, there were strict regulations and not every pub was suitable for this. Planning had asked for pubs being sold to be marketed as pubs but had lost appeals on this.

Place (presented by Martijn Coijmans, Team Leader – Planning and Projects E/W)

- 1.7. Place making was about improving places for people to come together and to strengthen retail areas.
- 1.8. At the Archway the gyratory was being removed and a new public space was under construction. There would be a new heart for Archway town centre and the potential for a market and other street trading. In the new year a new square would be built and the shops that were on the island would be more easily accessible.
- 1.9. Concern was raised that the new bus stops at Archway could mean bus users were unsure which bus stop to wait at for the next bus to their destination. The officer advised that some bus routes that had previously stopped at the same stop would now stop at different stops but some buses that previously stopped at different stops would now stop at the same stop. TfL would be putting an electronic board in Archway station advising people which bus stop the next bus would arrive at. Due to the high frequency of buses, even if a bus user did not go to the bus stop where the next bus was due to stop, they would not have to wait very long for the next bus to arrive at their stop.

1.10. Work would take place with the Town Centre Management Team and the local community on the design of the public space at the Archway early in the new year. In response to a member asking if independent coffee shops could be prioritised over chain ones, an officer advised that it was not possible to differentiate in planning terms.

Other plans across the borough included: -

- a) Subject to the plans for Highbury Corner being taken forward, the roundabout would be removed and a new public space and park created. It would create a new gateway to Upper Street and Holloway Road and the potential for some street trading.
- b) Subject to the plans for Old Street being taken forward, the roundabout at Old Street would be removed and a new public space would be created which would provide a new gateway to Old Street, Whitecross Street market and Shoreditch. There would be the potential for some retail and street trading.
- c) In Farringdon, there would be a new Cross rail station and improved public space. There would be a new gateway to 'Mid-Town' and a potential for some street trading.
- d) There was a masterplan for Central Street which included public space improvements to the King's Square shopping area.
- e) Clerkenwell Green was being redesigned with the 'car park' being used to provide improved public space.
- f) Finsbury Park would have new public space as part of the City North development. There would be a new pedestrian street leading to a new station entrance and new retail provision.
- g) The council was working with TfL to look at the possibility of removing the gyratory at King's Cross and making improvements to the Caledonian Road high street.
- h) The council was working with TfL to look at the possibility of removing the gyratory at the Nag's Head and making improvements to the Seven Sisters Road high street. This scheme was unlikely to go ahead as the scheme was the most problematic.
- i) In the Spring there would be a full consultation of the town centre strategy for Angel.

Town Centre Management (presented by Gemma Aked, Town Centre Development Manager)

1.11. The Town Centre development function was established in 2015. It was restructured from the Chief Executive's Directorate to the Environment and Regeneration Directorate in October 2016. It was currently externally funded through the New Homes Bonus. There was a commitment to ongoing funding for staff.

1.12. Key functions were 1) the strategic overview of town centres, 2) to increase footfall in the town centres, 3) To manage the council's relationship with town centre businesses, 4) To provide a gateway to other council services for businesses, 5) To provide business support advice, guidance and training, 6) To provide brokerage and partnership development, 7) To undertake project management and delivery of strategic projects and programmes, 8)

To lever additional investment into town centres.

- 1.13. There was a direct town centre management function to Archway, Finsbury Park and Nag's Head and an indirect town centre management function to the Angel. Funding support was provided by the council to the Angel Business Improvement District (BID) covering two seconded staff posts.
- 1.14. Core priorities were drawn up following a survey of over 300 businesses. They were 1) Business Engagement and Support which included business support programmes, Town Centre Management Groups and Traders Associations, 2) Town Centre Environments including cleaner, greener and safer, improving public realm and transport infrastructure; 3) Thriving Town Centre Economies included developing the town centre offer, key development sites and engaging investment partners including the GLA and London Councils to ensure a link into funding schemes and into other projects, 4) Unlocking wider opportunities including employment and skills e.g. asking businesses to provide local employment and skills training, community cohesion and tourism and 5) Galvanising and promoting strong town centre offers and animating town centres. The core priorities had driven the projects that had been undertaken in the last 18 months.
- 1.15. The current programme included delivering the Town Centre Partnership's Business Plans 2016/17, supporting the development of the Economic Development Strategy and delivering core projects funded by NHB and GLA High Streets Programme.
- 1.16. Projects included maintaining (and establishing in Finsbury Park) Town Centre Management Groups, the Shop Front Improvement Programme in Finsbury Park (engaging with 35 businesses), Marketing and Promoting Town Centres, (Focussing on Finsbury Park to establish brand identity, website and promotional campaign), Developing Business Support Programme (Business rates/marketing/visual merchandising), Festive Lighting and Events programme, supporting the delivery of Archway Square.
- 1.17. Key challenges included a potential increase in business rates for small businesses in March 2017 (businesses would be offered workshops and one to one sessions, an increase in rents for small business and general land value increases, managing relationships with key landowners and developers, parking (identified by businesses as a problem, although evidence had shown 80% of their customers did not drive to visit them), retail and office space to residential, capacity and managing expectations, resources for strategic posts, programmes and ongoing commitments, promoting town centres and making the most of the wider offer.
- 1.18. 95% of the businesses who attended the town centre management groups were independent. Chains generally engaged through the Chamber of Commerce.

2. Findings

The Committee, at its meeting on 23 January 2017, considered evidence from Councillor Shaikh, Executive Member for Economic Development.

The Committee were informed that the Council approach to Economic Development and Growth built upon the work of the Fairness and Employment Commission's recommendations. It was noted that the Council has now assisted over 2700 residents back into work.

The aim is to tackle inequality and poverty and to develop an approach that is driven by inclusion, through a model of economic growth that benefits all sections of the community.

The draft economic development strategy vision is to make Islington a place for sustainable inclusive economic growth, where local people and communities share in this growth.

Islington seeks to be a diverse, resilient local economy for the most densely populated local authority in the country, where economic activity can successfully co-exist with residential and other land users and displacement of successful economic activities is limited, provided demand is existing. Economic growth should be a means of reducing inequality of opportunity within the local community.

The Council should take a proactive role in shaping the local economy and successfully engaging with and supporting key economic factors.

The Council's objectives are to ensure Islington residents share in economic growth, particularly through employment opportunities such as the I Work employment support, in order to improve the skills and learning of Islington residents to enable them to take full advantage of available employment opportunities, such as the Employment and Skills strategy, Adult Community Learning and skills devolution and to meet the challenges of BREXIT.

The Council also hopes to encourage business uses and other appropriate commercial development in the borough through the Local Plan and the opportunities of economic clusters.

In addition, the Council will seek to support Town Centres and encourage diversity as an enabler, through small business support and the night time economy, where it did not impact adversely on residents, and refreshing the markets strategy.

The Council will also seek to maximise opportunities for the growth of SME's and for local entrepreneurs, through planning policy, and S106 and affordable workspace, and making a difference through the Council acting as an economic agent. It was noted that a large amount of affordable workspace has been lost to residential use over a number of years.

The Committee were informed of the Business Rate re-evaluation that had been recently announced and that this will see a large increase in Islington of business rates of around 45%, and this will see business rates increasing between 35% and 45%. The Committee expressed concern that this level of increase could force businesses to close or leave the borough.

The Committee were also concerned that the Council would not see an increase in funding as a result of the re-evaluation, and were calling on the Government to delay the re-evaluation until after Britain leaves the EU and extend the transitional relief to small businesses and to also increase the threshold for small businesses relief in London to £20,000.

The Committee noted that the proposals around Business Rate retention were still unclear, as the Government had still given no clear indication as to how this will work in practice. It was noted that current understanding is that the Council will not retain 100% business rates and that it was unlikely to result in any additional funding to the Council. Further details would be notified to the Committee, once they were available.

The Committee also were of the view that employers who had corporate responsibility policies should be encouraged to take these more seriously to enable local residents to take advantage of work opportunities. In addition, the Committee felt that the lack of affordable housing impacted on the ability of some young people to learn in a suitable environment and impacted on their future employment opportunities.

In terms of one of the recommendations of the Employment Commission it was noted that in terms of career advice for young people, this is being addressed and direct work is taking place with schools to ensure that proper careers advice is being addressed at schools, and by employers and

at job fairs. The challenge is to make this sustainable in view of the severe reductions in Council funding by the Government.

The Committee also felt that broadband suppliers should be encouraged to increase their broadband speeds, as this would assist businesses.

The Committee at its meeting on 9 March 2017 considered evidence from David Fordham, Service Trading Standards, Jan Tucker, Chair of Archway Traders Association and Christine Lovett, CEO of Angel's Business Improvement Bid (BID).

The Committee expressed the view that Town Centres could be revitalised by encouraging pop up shops and by holding cultural events, in order to give new businesses an opportunity and that consideration should be given to this.

The Committee were advised that with regards to parking concerns, an update would be provided for Members after the completion of a project looking into the issue.

Members were informed about the draft street trading strategy which lists key things the Council aims to achieve in the next 5 years.

It was noted that revitalising and keeping the markets alive, providing local jobs for local people and meeting environmental sustainable objectives was the stimulus for action and that the strategy aims to create a dynamic street trading and market experience suitable for residents and businesses.

Members were informed that as shopping habits of members of the public had changed over the years, street markets would have to adapt to this new trend.

It was noted that a number of challenges facing Street Trading such as lack of infrastructure regarding the removal of waste, parking issues on market site attracting new traders and retaining the existing traders.

The Committee were informed that the Council aims to raise the profile of street markets and promote street markets in the Time Out Magazine in May 2017 called 'love your market' as Street markets still had a vital place within the community not only with residents but businesses in its vicinity so the regeneration of the market was essential to provide future opportunities.

Members were informed that street markets would be encouraged to introduce different themes on market days as it was noticeable that the existence of farmers markets had resulted in an increase in trading and footfall especially visitors

The Committee were advised that most authorities in the country were experiencing similar issues on managing street markets and that the decline of traditional street markets was due to a number of factors such as competition from other forms of retail, lack of investment or vision by the local authorities and changing demographics.

With regards to the cost of hiring stalls and pitches and the revenue derived by the Council, the Service Manager, Service Trading Standards advised that Council charges £60 per week, the lowest in comparison to other neighbouring authorities and cheaper than markets that are located on private land. On the issue of revenue, Members were advised that any revenues received would be 'ring fenced'.

A Member enquired whether the Council offered support such as mentoring/training for new stall holders with a view to helping the stall holders move into retail shops.

Members were informed that there is financial incentive offered to stall holders in Crystal Palace where they were being charged rent as a percentage of their daily takings and this could be looked into.

The CEO BID welcomed the Council's strategic approach to street trading, stating that the success of the farmer's market in Chapel Street was due to the difficult and bold decisions taken by the Council and such difficult decision should continue to be applied to parking concerns around the markets.

The Chair Archway Traders Association highlighted the parking issues around the Archway square especially with the relocation of Archway market. Jan Tucker indicated that business was picking up in the private market and it was noticeable that shops were flourishing. She also suggested that Markets should be encouraged to introduce theme days such as Antique and Craft activities within the markets, activities that have resulted in an increase of foot fall in the market.

It was suggested that the Council should continue taking difficult decisions on issues such as business rates, employment opportunities for Islington residents and parking challenges in and around the market without impacting the traditional nature of the street markets. The regeneration of retail areas was important and that well known markets such as Chapel Market should not lose its original identity. Reference was made to neighbouring markets such as in Camden Lock where most of the stalls are now privately owned and although regarded as successful, the view was expressed that it had lost its traditional nature.

A Member suggested that consideration should be given to businesses such as One pound shops and Charity shops taking up empty spaces as these businesses do attract people into the area.

The Executive Member for Economic Development noted that in defining the purpose of growth, it was important to ensure that whatever changes are introduced that it benefits everyone, resident and businesses in the neighbourhood. She also advised that private markets results in money out flow of the borough as most of the stall holders were not residents

The view was suggested that empty rooms spaces above shops should be utilised for culture or exhibition events and that Officers should look into tapping into some of the healthy scheme initiatives promoted by the Office of the Mayor of London on walking, cycling and supporting less traffic as ways of regenerating retail areas. In addition, Healthy Streets Scheme was mentioned with funds for provision of street benches.

The Committee acknowledged that markets were vital to the local community as it brought people into the area and that the relationship between shops and street market traders are symbiotic. He also noted that without parking spaces street markets would struggle.

It was acknowledged that parking was an issue around markets however the council was involved in a project looking at the issue and would provide an update to the Committee in the next month.

MEMBERSHIP OF THE ENVIRONMENT AND REGENERATION SCRUTINY COMMITTEE

COUNCILLORS – 2016/17

Councillors:

Councillor Court (Chair)
Councillor Poyser (Vice-Chair)
Councillor Andrews
Councillor Hamitouche
Councillor Heather
Councillor Jeapes
Councillor Rupert Perry
Councillor Russell

Substitutes:

Councillor Debono
Councillor Gill
Councillor Alice Perry
Councillor Picknell

COUNCILLORS – 2017/18

Councillors:

Councillor Champion (Chair)
Councillor Hamitouche
Councillor Doolan
Councillor Russell
Councillor Gallagher
Councillor Heather
Councillor Jeapes
Councillor Perry

Acknowledgements: The Committee would like to thank all the witnesses who gave evidence to the review.

Officer Support:

Zoe Lewis, Peter Moore & Ola Adeoye – Democratic Services
Lead Officers – Karen Sullivan, Martijn Cooijmans and Gemma Aked.

APPENDIX – SCRUTINY INITIATION DOCUMENT

SCRUTINY REVIEW INITIATION DOCUMENT (SID)
Review: Regeneration of Retail Areas
Scrutiny Review Committee: Environment and Regeneration Scrutiny Committee
Director leading the Review:
Lead Officer:
Overall aim: To encourage the regeneration of retail areas by making Islington more attractive for customers and potential business and to maximise future income under the recent business rate changes.
Objectives of the review: <ol style="list-style-type: none">1) To look at the areas in need of regeneration and how the council decides where to allocate attention.2) To consider upcoming opportunities for regeneration e.g. Farringdon Crossrail.3) To look at areas that are currently underutilised e.g. some areas around tube stations.4) To look at the tools available to the council when regenerating an area e.g. spatial planning and how these can be used more effectively.
How is the review to be carried out: <u>Scope of the Review</u> <u>Types of evidence will be assessed by the review:</u> <ol style="list-style-type: none">1. Documentary submissions:2. It is proposed that witness evidence be taken from:<ol style="list-style-type: none">i) The Chamber of Commerceii) The Spatial Planning teamiii) Market Stall Holdersiv) The Town Centre Management Teamv) Executive Member for Finance, Performance and Community Safety – to outline the property owned by the council.vi) Executive Member for Economic Development3. Visits Attendance at a Town Centre Management Forum meeting.