Kettering Town Centre Health Check Monitoring Report

February 2019 Update

1.0 Introduction

1.1 This Health Check forms part of the annual monitoring of the Kettering Town Centre Area Action Plan (AAP) which sets out a plan for the regeneration of Kettering town centre. The AAP was adopted in July 2011. This report reviews the seventh year of the adopted plan. The information within it feeds into the AAP's overall Monitoring Framework which annually will address the progress and implementation of the AAP.

1.2 A comprehensive Health Check was completed in August 2009 in order to establish the baseline position and assist in the formulation and review of policies contained within the emerging AAP. Updates were published in February 2011, September 2012, November 2013, November 2014, November 2015, January 2017 and January 2018.

1.3 It is important to annually update key elements of the health check to ensure:

- The sound application of AAP policies, for example the policies which control Changes of Use applications;
- An understanding of how policies in the AAP are performing;
- An accurate and up to date picture of the health of the town centre; and
- An awareness of the current local context and well-being of the town centre.

1.4 This update report specifically aims to provide an update on the following areas:

- Survey of uses in the town centre , within the:
  - Primary Shopping Frontages;
  - Secondary Shopping Frontages; and
  - Restaurant Quarter Frontages
- Vacancy rates
- Footfall survey

1.5 The final section of this update provides a conclusion on the results of the update.

2.0 Survey of Uses in the Town Centre

2.1 A town centre's vitality and viability is dependent not only on its retail function but also on the mix of uses that contribute to the centre's attractiveness to those who live, work and visit the area. Leisure and entertainment facilities including cafes, bars and restaurants can add variety to a town centre and can also generate an evening economy. However, the primary function of a town centre remains retail and the AAP sets out policies to protect the overriding retail character of the Plan Area. As such it is important to monitor the different uses within the town centre through an annual Use Class Survey in order to prevent an over proliferation of particular uses.

2.2 The survey methodology involves auditing the different ground floor uses within the town centre. The categories used are those defined under the Use Classes Order 2010 (as amended). The original 2009 survey measured the width of every unit's frontage (in metres) in order to ascertain the total metreage and percentage of frontages designated to each use class.

2.3 Findings of the survey undertaken in September 2018 are presented below for the Primary Shopping Frontages, Secondary Shopping Frontages and Restaurant Quarter, as identified in the AAP.

Primary Shopping Frontages

2.4 The primary shopping frontages run up High Street, Gold Street, and Newland Street and incorporate the Newland Centre. The Shopping Quarter forms the majority of the Primary Shopping Area and will include planned large-scale retail redevelopments projects at Wadcroft and Newlands Phase 1. The tables and figures below show the current uses within this area.

Figure 1: Primary Shopping Frontages: Uses September 2018

Use	Metreage (m)	Percentage (%)
Total A1 frontages	1613.4	71.1
Total A2 frontages	208.9	9.2
Total A3 frontages	86.9	3.8
Total A4 frontages	75.6	3.3
Total A5 frontages	5.3	0.2
Total other frontages	280.5	12.4
Total PSF frontages	2270.6	100

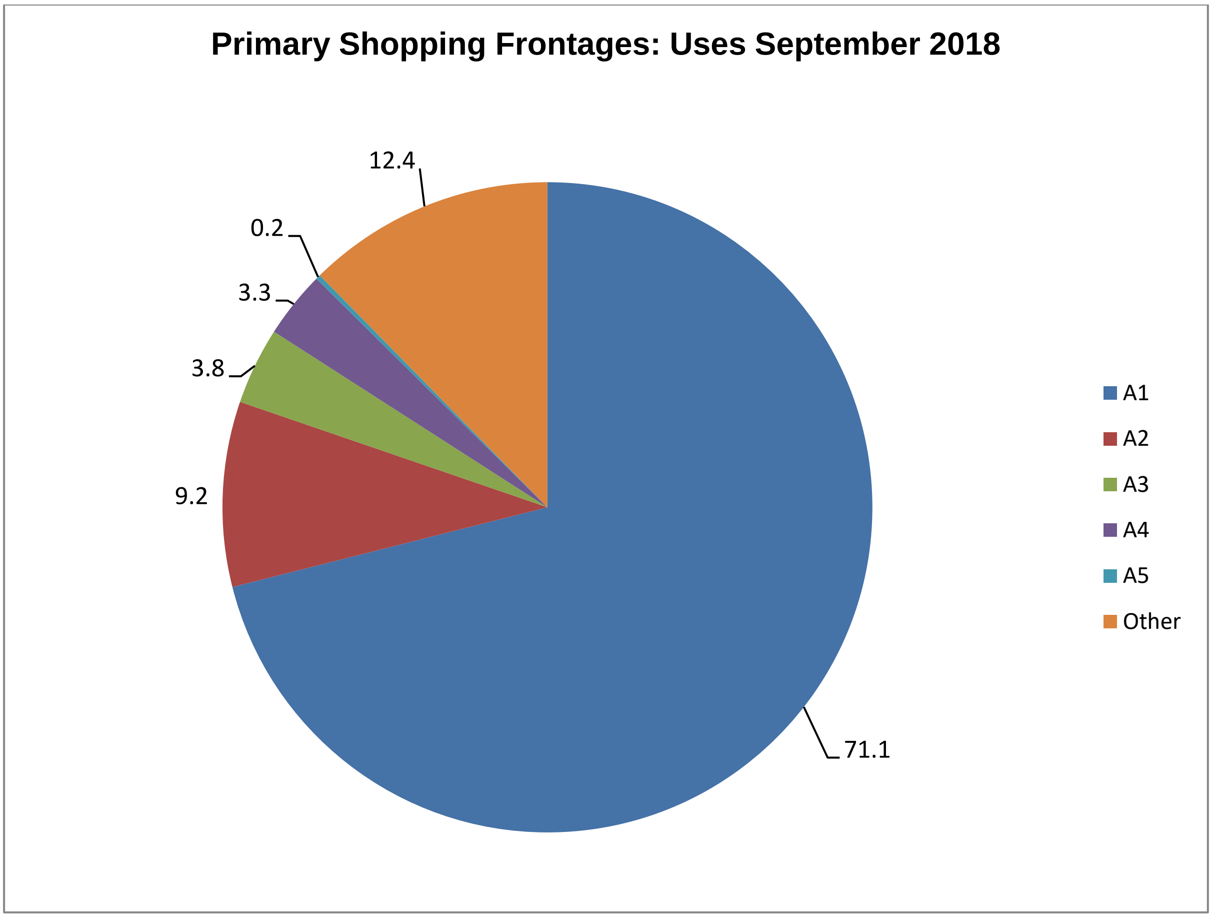

Figure 2: Primary Shopping Frontages: Year on Year comparison									
Use	**Aug 2009 %**	**Feb 2011 %**	**Aug 2012 %**	**Sept 2013 %**	**Aug 2014 %**	**Sept 2015 %**	**Sept 2016 %**	**Sept 2017 %**	**Sept 2018%**
Total A1 frontages	75.91	75.44	74.58	72.98	72.51	70.93	71.11	71.0	71.1
Total A2 frontages	12.38	12.39	11.83	11.41	11.41	10.57	10.07	9.9	9.2
Total A3 frontages	4.14	4.15	4.15	3.86	4.36	4.32	4.32	3.8	3.8
Total A4 frontages	3.50	3.50	3.29	3.29	3.29	3.05	3.05	3.1	3.3
Total A5 frontages	0.25	0.25	0.23	0.23	0.23	0.23	0.23	0.2	0.2
Total other frontages	3.82	4.28	5.91	8.22	8.20	10.90	11.21	11.3	12.4

2.5 Policy 3 of the AAP requires that not less than 75% of frontages in this area are in A1 use. Figure 2 shows that since 2009 there has been a slight decrease in the percentage of A1 units within the Primary Shopping Frontages, which now falls under the 75% threshold, although there is a slight increase on the figure for 2016. Future change of use applications from A1 use will need to be very carefully assessed as the threshold has been exceeded and has been under 75% since 2012.

2.6 Policy 3 of the AAP also requires no more than 3 consecutive non A1 retail units within the Primary Shopping Frontages. The 2018 survey shows there are four runs of such units; 3-14 Market Street and 64-70 Gold Street pre-date the adoption of the plan. In addition to this, there remain 2 runs of units where there are 3 consecutive non A1 retail units at 28-34 High Street and 7-13 Montagu Street. Future applications will need to be mindful of the need to protect the overriding retail character of the area in these locations and that it does not exceed the current number as it sits above the requirement set out in the AAP. It should also be noted that 28-34 High Street is a collection of non-A1 units. However, two of these units are mixed A1/A3 or A5 units and so this area retains its predominantly A1 character.

2.7 There have been no new additional A4 or A5 frontages introduced in this area in the monitoring period.

Secondary Shopping Frontages

2.8 The Secondary Shopping Frontages are primarily located on parts of Rockingham Road, Montagu Street, Silver Street and Dalkeith Place.

Figure 3: Secondary Shopping Frontages: Uses September 2018		
Use	**Metreage (m)**	**Percentage (%)**
Total A1 frontages	453.5	35.5
Total A2 frontages	175	13.7
Total A3 frontages	128	10
Total A4 frontages	196.7	15.4
Total A5 frontages	95.2	7.5
Total other frontages	228.8	17.9
Total SSF frontages	1277.2	100

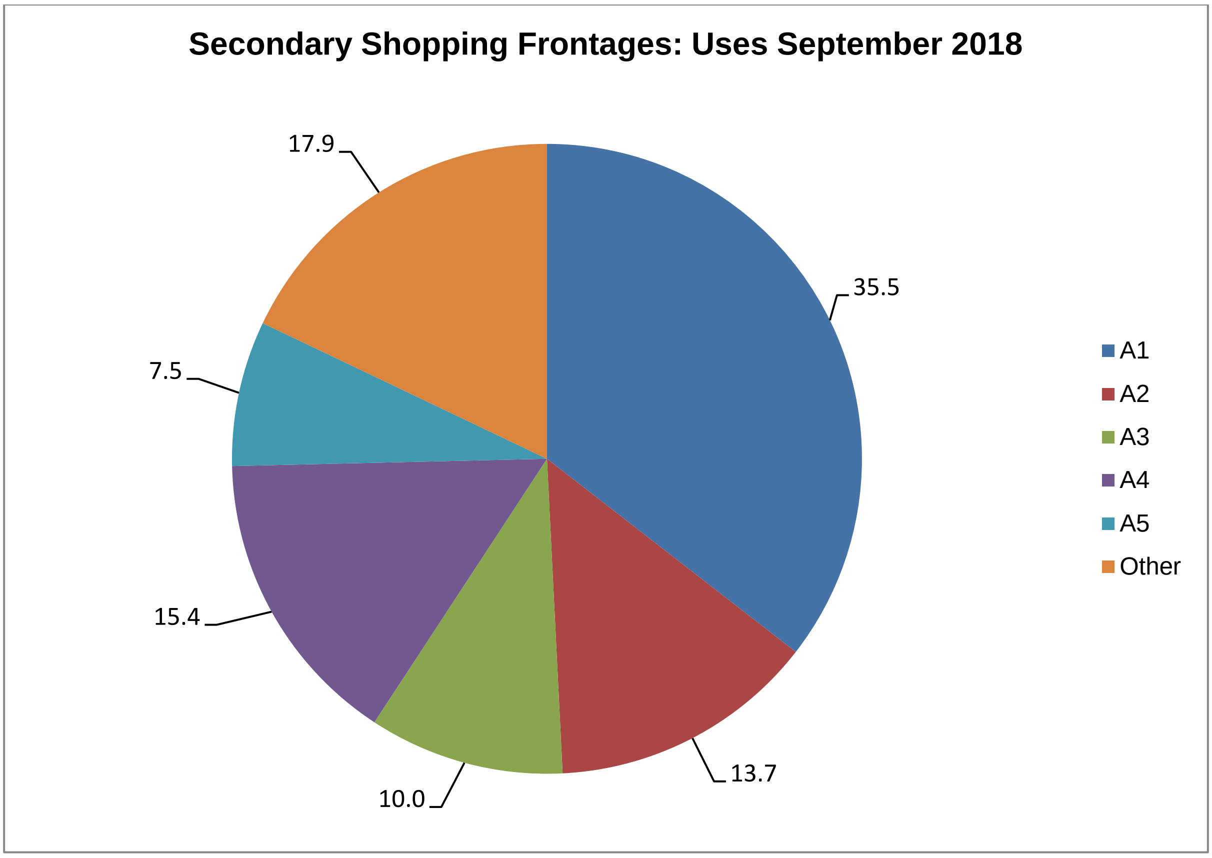

Figure 4: Secondary Shopping Frontages: Year on Year comparison									
Use	**Aug 2009 %**	**Feb 2011 %**	**Aug 2012 %**	**Sept 2013 %**	**Aug 2014 %**	**Sept 2015 %**	**Sept 2016 %**	**Sept 2017%**	**Sept 2018%**
Total A1 frontages	46.22	46.76	39.99	39.61	38.78	36.55	37.4	35.7	35.5
Total A2 frontages	14.78	15.43	15.53	14.90	15.73	15.00	14.92	14.0	13.7
Total A3 frontages	8.75	8.12	8.35	8.79	8.79	10.38	10.3	11.0	10.0
Total A4 frontages	16.04	16.16	16.19	16.19	16.19	16.44	15.4	15.4	15.4
Total A5 frontages	7.45	6.71	8.27	8.27	8.27	8.09	7.98	7.5	7.5
Total other frontages	6.77	6.82	8.11	8.68	8.68	9.91	10.4	12.8	7.9
Total vacant sites	n/a	n/a	3.57	3.57	3.57	3.63	3.6	3.6	N/A

2.9 The figures above show A1 retail frontages within this area have increased by around 0.2% in the year since the last monitoring period. A1 retail frontages now stand at 35.5 % for the latest monitoring year.

2.10 Some of the change in percentage since 2009 can be attributed to the re-drafted frontages designations in the final adopted version of the AAP (first shown in the August 2012 figures), which effectively resulted in fewer Secondary Shopping Frontages and more Primary Shopping Frontages. However, the trend for less retail use in this area will need to be carefully monitored in order to protect its overriding retail function as required by Policy 3 of the AAP. The current figure of 35.3% is broadly acceptable, but future decreases below this level will need to be very carefully assessed.

2.11 The maximum 8% threshold of total A5 metreage in the Secondary Shopping Frontages was reached in 2012 and did not change until 2015 which saw a slight decrease. This year's figures show another decrease, down to 7.5% meaning that the percentage of A5 units within the Secondary Shopping Frontage Area is now below the threshold of 8% for the second consecutive year. Therefore this will need to be carefully monitored and applications for A5 use in the area will need to consider this.

The Restaurant Quarter

2.12 The Restaurant Quarter incorporates the units around Market Place. The Vision for the Restaurant Quarter is to create a high quality public realm, surrounded by restaurants (A3). A multi-purpose civic space enclosed by a range of activities – a place where people want to stop, sit and spend time during the day and the evening. In order to deliver that vision within such a small quarter, Policy 19 of the AAP places restrictions upon the types of uses permissible within this location.

Figure 5: Restaurant Quarter Frontages: Uses September 2018		
Use	**Metreage (m)**	**Percentage (%)**
Total A1 frontages	37.3	10.6
Total A2 frontages	54.9	15.6
Total A3 frontages	117.6	33.4
Total A4 frontages	63.4	18
Total A5 frontages	8.8	2.5
Total other frontages	70	19.9
Total RQ metreage	352	100

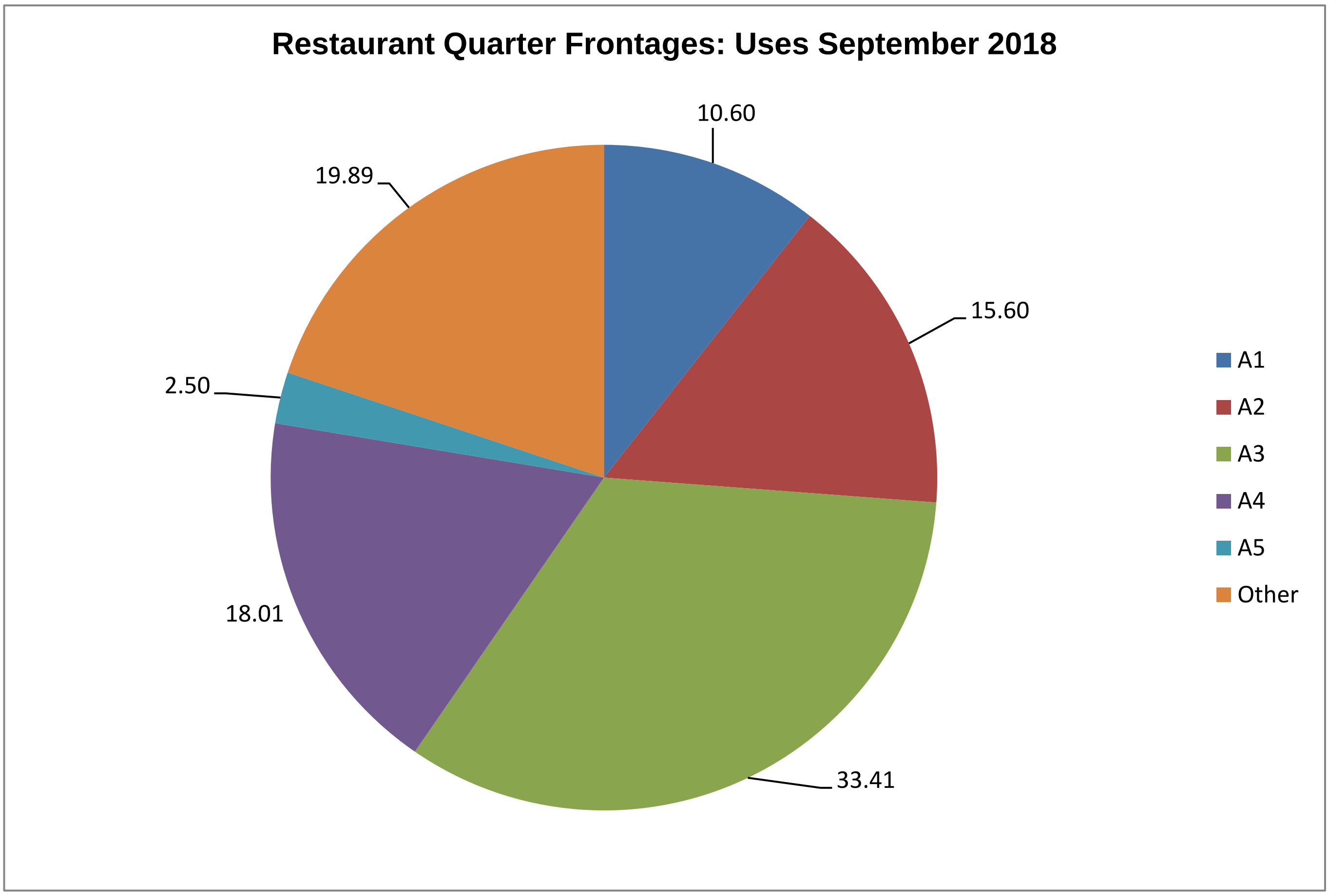

Figure 6: Restaurant Quarter Frontages: Year on Year comparison									
Use	**Aug 2009 %**	**Feb 2011 %**	**Aug 2012 %**	**Sept 2013 %**	**Aug 2014 %**	**Sept 2015 %**	**Sept 2016 %**	**Sept 2017 %**	**Sept 2018**
Total A1 frontages	18.81	18.81	14.74	14.74	14.74	11.20	12.3	8.1	10.6
Total A2 frontages	21.20	21.20	16.62	16.62	16.62	15.21	13.1	15.6	15.6
Total A3 frontages	10.80	10.80	22.05	22.05	22.05	28.13	30.5	29.7	33.4
Total A4 frontages	11.02	11.02	9.97	9.97	9.97	9.73	9.3	21.7	18
Total A5 frontages	3.19	3.19	2.50	2.50	2.50	2.44	2.5	2.5	2.5
Total other frontages	34.98	34.98	34.12	34.12	34.12	33.29	32.3	22.4	19.9

2.13 The completion of the Market Place Buildings increased the A3 frontages in the Restaurant Quarter from 10% to 22% in 2014 in accordance with the vision for the quarter and Policy 19 of the AAP. This year there has been an increase of this figure, compared to 2017, which now stands at 33.4%.

2.14 There have been no consents granted for changes of use within the quarter contrary to Policy 19 within the monitoring period. However 7 Market Street changed from a mixed A3/A4 use to a retail use, although no application was received to change this use, because it is a permitted change under the Town and Country Planning (General Permitted Development) Order 1995 (as amended)

2.15 In addition to the change of use at 7 Market Street there has also been a change of use at 4 Sheep Street which has changed from A4 use to A3 use.

3.0 Street Level Vacancy Rates

3.1 The number of vacant units in a centre can be a useful indicator of the health of a town centre. However, this indicator must be used with caution, as vacancies can arise even in the strongest town centres, and are simply an indicator of market conditions.

3.2 There are 2 ways of measuring vacant shops – by number of units or by measuring the width of vacant frontages. The percentages used in the policies in the AAP are based on frontage widths, and so this is the most appropriate factor to monitor. The tables below show the results of the September 2018 survey, using both methods.

Figure 7: Vacant Units September 2018

	No. Vacant	**Total No. units**	**Percentage (%)**
Plan Area (designated frontages)	48	347	**13.83**
Primary Shopping Frontages	26	197	**13.20**
Secondary Shopping Frontages	19	127	**14.96**
Restaurant Quarter	3	23	**8.7**

Figure 8: Vacant Frontage Metreage September 2018

	Vacant frontages (m)	**Total metreage (m)**	**Percentage (%)**
Plan Area (designated frontages)	543.7	3899.8	13.94
Primary Shopping Frontages	223.8	2270.6	9.86
Secondary Shopping Frontages	226.7	1277.2	17.75
Restaurant Quarter	93.2	352	26.48

Figure 9: Vacant Frontage Metreage: Year on Year comparison						
	Percentage 2013 (%)	Percentage 2014 (%)	Percentage 2015 (%)	Percentage 2016 (%)	Percentage 2017 (%)	Percentage 2018 (%)
Plan Area (designated frontages)	10.04	10.07	9.37	11.73	9.85	13.94
Primary Shopping Frontages	7.02	7.18	6.14%	8.33	4.35	9.86
Secondary Shopping Frontages	15.45	16.35	17.36	16.42	17.10	17.75
Restaurant Quarter	9.77	5.82	1.53	16.7	17.16	26.48

3.3 Compared to the figures from September 2017, Figure 9 shows the vacancy rates in the town centre have increased from 9.85% to 13.94%, an increase of 4.09% when using the meterage. However, when calculating this using the number of units (Figure 7) there is also a significant increase in vacancy rates from 10.53% to 12.62% with the biggest increase in vacant units in seen in the Primary Shopping Frontages, with an increase from 13 to 26 vacant units (100%) The Secondary Shopping Frontages saw a decrease by one vacant unit (5%) whilst it remained the same in the Restaurant Quarter.

3.4 Within the **Primary Shopping Frontages**, which are the retail focus of the town centre, vacancy rates have increased to 9.86% with an increase of 5.51 from 4.35%. This demonstrates that the more larger footprint stores are now vacant. The largest and most significant change to the Primary Shopping Frontages since last year's survey was Marks and Spencer at 45-49 High Street, which has been vacant since August 11th 2018. Although this frontage only takes up approximately 0.83% of the Primary Shopping Frontages, in terms of meterage, Marks and Spencer's was a significant attractor to Kettering High Street and had the potential to reduce the appeal of Kettering town centre with a subsequent reduction now this unit has been vacated.

Other significant changes have been seen at 1 Market Street Mews and 19 High Street, both of which have seen non-retail units become vacant. With regards to retail and further to the loss of M&S, two retail units, 73-75 High Street and 15-17 The Mall have become vacant since the 2017 survey.

Policy 15 of the AAP (the Shopping Quarter) consequently sets out plans to deliver a significant amount of new, large footprint, retail floorspace which will address this issue. However, those residual small units which remain vacant will be something for future Health Checks to analyse carefully. Analysis shows a distinct cluster of vacant units at 11, 11a and 12 Newland Street since August 2009. The 2017 survey found that these 3 units have been demolished. The 2018 survey recorded that the site was under construction, which when complete will comprise of 2 retail units and 24 flats (KET/2016/0674)In this survey these units have been counted as 2 vacant retail units and are expected to complete prior to next year's survey.

3.5 Vacancy rates are higher within the **Secondary Shopping Frontages**, perhaps reflecting their periphery status and the transient nature of some uses. The vacancy rate in the Secondary Shopping Frontages has increased by 0.65% compared to 2017. In 2016 it was reported that there were two units on Dalkeith Place (23 and 24) which have been vacant since February 2011; however one of these units, 23, had been occupied by an A1 use, with the other remaining vacant, which remains the case in 2018. In 2014, a few other units were reported to be vacant for a period of time with records indicating that 24 Rockingham Road has been vacant since August 2009. This year's results show that this unit remains vacant.

3.6 One of the restaurant units within the Market Place Buildings in the **Restaurant Quarter** continues to be occupied by Prezzo but the unit previously occupied by Chimichanga was vacated in Spring 2018. The closure of the Royal Hotel in early 2016 accounted for the significant increase of vacant frontage in the Restaurant Quarter at this time. In addition to this at the time of the survey in September 2016, 7 Market Place was undergoing refurbishment to turn it into a new bar and therefore could not be recorded as occupied and therefore vacant. However, this refurbishment was completed later in 2016 and the unit 'Retro Union' opened in October last year. This year's survey shows that this unit has changed use to A1 (retail) use.

3.7 In September 2018 the national average vacancy rate was 11.1% (Local Data Company). Therefore, the vacancy rate across the plan area of 13.94% is less positive than the national trend.

4.0 Pedestrian Footfall Flows Survey

4.1 A footfall survey is a key indicator of the health and vitality of shopping streets. Footfalls are measured by the numbers and movement of people on the streets, in different parts of the centre at different times of the day, who are available for businesses to attract into shops, restaurants or other facilities. This indicator is useful over time to indicate trends both as a result of local and national influences.

4.2 The original footfall survey for Kettering Town Centre was undertaken in December 2008 and has been updated on an annual basis up to this year, 2018. The same methodology is used, undertaking surveys on both a market day and non-market day, and pedestrian footfall was counted in the same locations.

4.3 The two tables below show the results of the September 2018 survey, compared to the September 2017 survey. The survey took place on two weekdays, one a non-market day and one on a market day.

Table 1: Monday (Non-market day)						
No.	**Count Location**	**Date/Time 18/09/2017**	**Count**	**Date/Time 24/09/2018**	**Count**	**Comparison**
1	Sheep Street/ Piccadilly Buildings-	10:30-10:45	80	10:30-10:45	64	↓ 20%
2	Market Place	10:48 – 11:03	190	10:48-11:03	125	↓ 34%
3	Southern end of High Street	11:06-11:21	221	11:04-11:19	163	↓ 26%
4	Mid High Street- between Huxloe Place & Walkers	10:32-10:47	353	10:34-10:49	106	↓ 70%
5	Lower Street- outside Peacock Inn	10:50-11:05	266	10:50-11:05	269	↑ 1%
6	Southern end of Tanners Lane	11:07-11:22	25	11:10-11:25	99	↑ 296%
7	Southern end of Gold Street	10:37-10:52	386	10:35-10:50	347	↓ 10%
8	Northern end of Gold Street	11:02-11:17	180	10:54-11:09	172	↓ 4%
9	Newland Street (outside no.6)	11:19-11:34	189	11:15-11:30	200	↑ 6%
10	Dalkeith Place- outside no. 10, nr Jobs Yard	10:33-10:48	112	10:32-10:47	118	↑ 5%
11	Dryland Street	10:50-11:05	44	10:49-11:04	76	↑ 73%
12	Eastern end of Market Street- outside Room 21	11:07-11:22	56	11:05-11:20	74	↑ 32%
Total			2102		1813	↓ 14%

Table 2: Friday (Market day)						
No.	**Count Location**	**Date/Time 22/09/2017**	**Count**	**Date/Time 28/09/2018**	**Count**	**Comparison**
1	Sheep Street/ Piccadilly Buildings-	10:32-10:47	76	10:30-10:45	87	↑ 14%
2	Market Place	10:49-11:04	184	10:53-11:08	145	↓ 21%
3	Southern end of High Street	11:06-11:21	236	11:10-11:25	247	↑ 5%
4	Mid High Street-between Huxloe Place & Walkers	10:33-10:48	365	10:30-10:45	357	↑ 0.3%
5	Lower Street-outside Peacock Inn	10:50-11:05	261	10:48-11:03	225	↓ 14%
6	Southern end of Tanners Lane	11:07-11:22	42	11:06-11:21	36	↓ 14%
7	Southern end of Gold Street	10:40-10:55	458	10:33-10:48	485	↑ 6%
8	Northern end of Gold Street	11:00-11:15	251	10:52-11:07	208	↓ 17%
9	Newland Street (outside no.6)	11:20-11:35	207	11:11-11:26	213	↑ 3%
10	Dalkeith Place-outside no. 10, nr Jobs Yard	10:35 – 10:48	116	10:31-10:46	179	↑ 54%
11	Dryland Street	10:51 – 11:06	57	10:49-11:04	93	↑ 63%
12	Eastern end of Market Street-outside Room 21	11:11-11:26	99	11:07-11:22	87	↓ 12%
Total			2352		2362	↑ 0.43%

4.4 The 2018 footfall survey shows that footfall has decreased on a non-market day (Monday), compared to 2017. There has been a significant increase in the footfall at Tanners Lane, Dryland Street and Market Street. However, Sheep

Street, Market Place, High Street all saw significant decreases, with smaller decreases on Gold Street.

4.5 On a market day the 2018 footfall survey shows that footfall has increased compared to 2017. There has been a significant increase in footfall at Dalkeith Place and Dryland Street and Sheep Street Although Market Place, Lower Street, Tanners Lane, Gold Street and Market Street all saw a fairly significant decrease in footfall compared to 2017. It is recommended that the survey be repeated next September to see if a consistent pattern can be detected.

4.6 The baseline data from December 2008 does not allow a direct comparison with the figures from September 2017; however the most recent footfall counts were undertaken in December 2017 and 2018 and allow for a more direct comparison.

4.7 The overall trend for a non-market day shows that during December 2008 and the same month in 2013 there was a decrease of around 6% and then a very small decrease the following year in 2014 and 2015. For 2016, there was a decrease of 12% from the previous year again; with a subsequent decrease of 3.1% in 2017. This year's figures again show a decrease of 12.8% on a non-market day.

4.8 As for a market day there was an 11% decrease between 2008 and 2013 and then an increase of 7% in December 2014 and a decrease of 7 % in December 2015 with a subsequent increase of 17.9% in 2016. For 2017, there was a decrease of 12.6% in the number of pedestrians counted, compared to the figures for 2016. This year's figures indicate a decrease of 22.1%.

4.9 <u>Meadow Road Park</u>

The figures shown below indicate that footfall in this area of the town was lower in December compared to September and was busier on a market day in both surveys, although only very slightly in December. The survey undertaken on the park shows that there is limited use of the park at around 11:30, with three of the four surveys showing no usage of the park. It is therefore the aim of the Town Centre Delivery Plan project to improve these figures by improving connectivity to the town centre and the facilities available on the park.

Footfall Monitoring - Meadow Road		
	Non-market day	**Market day**
September	33	45
December	20	21

No. of people on Meadow Road Park		
	Non-market day	**Market day**
September	7	0
December	0	0

5.Conclusion

5.1 The findings of this health check update indicate that the town centre has felt the impact of the loss of a flagship store in Marks and Spencer, which seems to have caused a number of departures from the town centre of high profile retail outlets. This is evident given the significant increase in vacancy rates in the plan area and is inevitably shown in the decrease in footfall.

5.2 The pedestrian flow survey from September shows a significant overall decrease in footfall on a non-market day, despite a number of increases in various locations in the town centre. The findings on a market day are more positive, given that there was a small increase. However, the survey should be repeated next year to see if a consistent pattern can be detected. The December footfall survey however shows a decrease on both a non-market and market day. In both months, results for the market days showed a higher overall amount of pedestrian activity.

5.3 Kettering remains the principle retail centre in North Northamptonshire. Some weaknesses need to be addressed in order for Kettering Town Centre to fulfil its sub-regional potential and compete with surrounding centres. However, these weaknesses have been acknowledged and deliverable solutions identified within the Kettering Town Centre AAP and the Kettering Town Centre Delivery Plan, in particular Meadow Road Park. Of particular importance, there is a need to maintain or enhance the number of A1 uses within the primary shopping frontage and diversify the retail offer to include higher-value shops through the provision of additional comparison retail floorspace and offer retail units of suitable size for this purpose. Although given this year’s findings, a significant number of retail units have closed over the last year, as mentioned above and therefore achieving these objectives, particularly in relation to retail in the Kettering Town Centre Area Action Plan have and will become increasingly challenging if this trend continues. This issue is likely to be considered when a review of the Kettering Town Centre Area Action Plan is undertaken.