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12th November 2020

Dear Mr Berkeley

North Herts District Council – Matter 29

Background

As you are aware, Letchworth Garden City Heritage Foundation owns the freehold of the Letchworth Garden City Estate and are successors to First Garden City Ltd, which developed the Letchworth Garden City. We are a community benefit society, where we reinvest surplus from a primarily property portfolio, back into the communities of Letchworth, via a series of charitable commitments set out in the Letchworth Garden City Heritage Foundation Act 1995.

The Heritage Foundation owns the freehold of Letchworth Town Centre and we rack rent approximately 50% of the retail and leisure units, incorporating approximately 140,000 sq ft and 125 units, along with a residential portfolio and two major serviced offices of 113,000 sq ft.

Our wider commercial portfolio also includes 180 premises, totalling 450,000 sq ft in Letchworth. This includes an ownership interest in site LG19, 20 and 21, where we have previously sought to bring forward development proposals for LG19 and LG21, which were not viable/deliverable.

We therefore welcome the opportunity to attend the session on 9th December and to submit further representations to you.

As a starting point, I refer you to representations from November 2016 in relation to Policy SP4 and allocations LG19, 20 and 21 and Matter 29 dated 4th September 2020.

Since our letter of 4th September, the local economic circumstances have become more challenging as a result of the second wave of the Coronavirus pandemic. This has had a further impact on retail and leisure sectors in the town centre, whilst the industrial estate continues to face serious challenges, where we are already seeing business failures and inability to pay rent. The office sector is especially weak.

The resulting challenges placed on the Foundation in terms of security of rental income has impacted on our operation as a community benefit society in terms of the services we are able to provide and the charitable reinvestment for the benefit of the local community. This has seen closure of local services, such as our Treatment Centre.

The local and national economic situation and the changing role of town centres, we believe, leads to a requirement for greater flexibility to enable business and landlords/land owners be able to bounce back as quickly as possible. Inevitably there will be sectors that will take longer to return and we have particular concerns regarding the retail, office and leisure sectors. This in addition to uncertainty from BREXIT means that the local economy is particularly vulnerable and manifests itself with tenants not being able to meet rental payments and vacant space being difficult to let. This leads to a need to look at a more flexible approach as to how we use space and the terms that it is offered.

There is a wider aspiration to create a town centre experience that is less reliant on retail provision. This includes a range of leisure and necessitous activities and services (for example health facilities), cultural uses and public art, community uses and open space. There are some positive signals where we are seeing some benefits from people working from home and therefore spending greater time in the town centre, but we are some way short of the level of activity needed to repair the economic harm.

In order to achieve this recovery and meet the opportunity that may exist as working patterns change, planning policy needs to be less target driven on retail floorspace, particularly when this is based on a need that no longer exists, and should be more flexible to support Town Centre Managers, landlords and land owners achieve an interesting experience that will attract people and retain them for a decent dwell time.

1) Town Centres

Policy SP4

We welcome the modification included in the previous iteration which factors in vacant floorspace against the 15,850 sq m additional floorspace for the 2016 to 2021 period. However, in light of the deteriorating circumstances, we are of the view that this should be included in each of the phases up to 2031.

We remain concerned about the level of additional provision of floorspace sought, which seems to be completely out of context to how the retail sector is evolving and in particular the situation as a result of the pandemic. Although we welcome the safeguards and the potential for early review (para 4.46) which does give some reassurance, this additional floorspace is not achievable in the Plan period.

We welcome the early Town Centre Strategies (para 4.40) but are concerned about the context that these will be undertaken. The Foundation would not support this if the

Letchworth Town Centre Strategy is going to be undertaken with the intention of meeting the policy aspirations for additional floorspace set out in Policy SP4. We would, however, support this exercise if it includes an up to date assessment of Letchworth's retail needs, which would then inform the wider strategy, along with the flexibility sought by central government arising from the amendment to the Use Classes Order, creating Class E.

Other policy wording -

c) (and para 4.41) we are of the view that drinking establishments should be supported in the primary shopping frontage. In Letchworth Garden City town centre this is presently the case, which sits comfortably with other primary frontage uses.

d) we would welcome all Class E uses being supported, in line with the flexibility for town centres sought by central government which led to the changes to the use classes order. In addition, takeaways and drinking establishments, which are sui generis uses, should be included.

Our preference would be to see this reflected in the floorspace allocations included in this part of the policy, which should not be targeted to certain uses, but embrace Class E and these two sui generis uses as a whole.

The new Para 4.xx does not make sense and we are not clear what this is trying to say. Does needs to be re-worded?

Policy ETC3

This policy reduces the scope of sequential testing to only retail and leisure, whereas previously this would have included main town centre uses, such as hotels. We query whether this is this a deliberate exclusion, as it would not seem to tally with the wording for para 5.13?

Para 5.16 encourages leisure in the town centre, which is supported, however should this also support all Class E uses? This we believe would create further flexibility, essential to the evolution of town centres and their response to the recent and current market conditions?

Policy ETC4

We welcome the support for Class E uses, but also believe that drinking establishments should be acceptable in primary shopping frontages.

LG19, 20 & 21

As previously indicated, we have concerns about the deliverability of the aspirations included in the allocations and have previously welcomed the additional wording regarding the need for up to date assessments, which will inform the Council's approach to determining applications on these sites.

We are however of the view that these allocations should support all Class E uses, plus drinking establishments to provide greater flexibility, which would enhance the chances of schemes coming forward.

2) Industrial Estate/Business Park

Policy ETC1

The revised wording of the policy supports Class E uses, as well as B2 and B8. Does this therefore support retail, leisure, indoor sport activities in the employment areas?

If this is the intention of the revised wording, it is considered that additional Class E (particularly retail) floorspace should be recognised in Town Centre policies and perhaps the LG19-21 allocations? This is particularly as Policy SP4 refers to the additional floorspace being provided in the town centres, which previously would have been supported by sequential assessments incorporated in local and national policy. This may lead to a reduced retail requirement for Letchworth Town Centre in Policy SP4.

The above comments again suggest an early review of the Plan in order that the implications of the significant economic challenges and structural changes over recent years and arising from Coronavirus, plus changes to the use classes order can be understood and amendments made in a more cohesive and strategic way.

We do not, however, believe that addressing the above points raised should lead to a delay in the Plan being adopted, which is essential to the economic development of Letchworth Garden City and North Hertfordshire, and we would support a series of minor revisions and an early review.

We trust that our comments are helpful and can be taken into consideration.

Please feel free to contact me if you have any queries or require any further assistance.

Yours sincerely

David Ames
Executive Director – Stewardship & Development