

**Anglia Square
including land and buildings to the north and west**

**PROOF OF EVIDENCE
of
CHRIS WATTS MTCP MRTPI**

on local economy matters,

on behalf of the Applicant,

Weston Homes PLC and Columbia Threadneedle Investments

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(separately bound)

Appendix CW1: Local Impact Area plan

QUALIFICATIONS AND EXPERIENCE

I am Chris Watts and I hold a Master's degree in Town & Country Planning from the University of Manchester.

I am a Member of the Royal Town Planning Institute.

I am a Director of the National Retail Planning Forum and a Member of its Research Group.

I am an Associate in the Cushman & Wakefield (**C&W**) Planning & Development team, where I have been employed since October 2011 (DTZ previous to the merger with C&W in September 2015).

I have been professionally engaged in town planning and development for over 12 years, all of which have been in private consultancy practice. During this period, I have had significant experience of advising both private and public sector clients on town centre regeneration, as well as planning matters generally.

I have been advising Columbia Threadneedle Investments (**CTI**) on the Anglia Square proposals and other matters since 2015. I am therefore familiar with the application site, Anglia Square/Magdalen Street Large District Centre and Norwich City Centre.

1. EXECUTIVE SUMMARY

- 1.1 The evidence that I shall give will demonstrate that the proposed development is consistent with Chapter 6 of the National Planning Policy Framework (**Framework**), which sets out the Government policies for building a strong, competitive economy.
- 1.2 Specifically, my evidence will set out that:
- 1.3 **First**, the mixed use redevelopment of Anglia Square is a long-standing policy objective, identified as having the potential to act as a catalyst for the wider economic regeneration of the northern part of Norwich City Centre.
- 1.4 **Second**, over half of the retail and other town centre floorspace at the application site is vacant, the multi-storey car park has closed and there are large areas of surface car parking. The site is therefore a blight on this part of the City Centre and detracts investment.
- 1.5 **Third**, Anglia Square falls within one of the 10% most deprived neighbourhoods in the country, while other indicators for Norwich point to an under-performing local economy.
- 1.6 **Fourth**, the 10-year construction period will support a significant number of jobs and allow for the training of the local labour force. During the construction phases, existing on-site businesses will maintain occupation and access until vacant possession is required.
- 1.7 **Fifth**, the proposed development could support between 535-762 jobs, representing an uplift (on the baseline position) of between 305-582 jobs, in addition to a further 60-118 indirect jobs.
- 1.8 **Sixth**, the proposals would reduce levels of deprivation in the area by boosting the local housing supply (including at least 120 affordable dwellings); increasing the residential population and expenditure to support local shops and services, and therefore jobs; and providing employment opportunities and improved access to facilities.

2. SCOPE OF EVIDENCE

2.1 In setting out his decision to call-in the application 18/00330/F, the Secretary of State identified the matters upon which he wishes to be informed. These included the extent to which the proposed development is consistent with the Government policies for building a strong, competitive economy (Chapter 6 of the Framework).

2.2 Paragraph 80 of the Framework says:

Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future (my emphasis).

2.3 Baseline economic conditions are a highly material consideration, therefore, serving as a primary point of comparison for analysis of the proposed development's contribution to the local economy.

2.4 Paragraph 1.2 of the Policy Guidance Note for Anglia Square¹ (**PGN**) confirms that the *area surrounding the site (the 'northern city centre') ... has experienced physical and economic decline for several decades, and to that end:*

Anglia Square is the most significant development opportunity in the northern part of the city centre and one of Norwich City Council's most important priorities for regeneration. Its redevelopment has the potential to regenerate both the site itself and act as a catalyst to the regeneration of this quarter of the city centre².

2.5 The most relevant development plan policies as they pertain to my evidence are contained in the Joint Core Strategy³ (**JCS**) and include:

¹ CD2.11

² Paragraph 1.1 of the PGN.

³ CD2.2

- Policy 5 (The economy);
- Policy 9 (Strategy for growth in the Norwich Policy Area); and
- Policy 11 (Norwich City Centre).

2.6 It is common ground between the Council and the Applicant that paragraphs 258-301 of the Council's committee report for the application⁴ present an accurate assessment of the socio-economic considerations relating to the proposed development. I note, however, that the evidence set out in my proof specifically deals with matters relevant to the Government policies for building a strong, competitive economy.

2.7 My proof is structured as follows:

- In section 3, I describe the site and baseline economic conditions;
- I then consider the local economy impact of the application proposals in section 4. My evidence on this matter principally draws on information set out in Chapter 11 (Socio-Economics) of both the original Environmental Statement⁵ (**ES**) and the Supplementary Environmental Information⁶ (**SEI**). I note these documents were prepared by Icen Projects on behalf of the Applicant;
- I end with my conclusions in section 5.

⁴ CD9.1

⁵ CD4.86

⁶ CD7.81

3. THE SITE AND BASELINE ECONOMIC CONDITIONS

3.1 Anglia Square was redeveloped during the 1960s and 1970s, comprising a precinct of retail units, multi-storey office buildings and a cinema. Although the final phases were never completed (resulting in surface car parking as seen today), it would have been a focus for activity and employment, with Sovereign House once accommodating around 1,000 office workers⁷.

3.2 Since then, the site's physical fabric and infrastructure has deteriorated and requires significant investment to (inter alia):

- replace vacant and under-utilised buildings;
- enhance the site's physical appearance;
- maximise the efficient use of the site; and
- provide new commercial accommodation to meet the needs of modern retailers and businesses.

3.3 Highlighting the state of decline, it is common ground between the Council and the Applicant that the main site includes a multi-storey car park (closed), Sovereign House (vacant), cinema (vacant), two nightclubs (vacant), pool club (vacant), Gildengate House (former office building in temporary use as artist studios and part vacant), and retail and other mixed use properties (some vacant).

3.4 Vacant building floorspace⁸ amounts to 16,468 sqm GIA, which is just over half the total quantum of retail and other town centre floorspace at the application site (32,441 sqm GIA)⁹. In addition, large areas of the site are currently used for surface car parking (to the west of the main site plus the two smaller parcels of land to the north).

3.5 I note that paragraph 574 of the Council's committee report for the application¹⁰ says:

The visible signs of vacancy and dereliction blight the image of this part of the city centre and send a negative message to the development sector.

⁷ Paragraph 5 of the Statement of Common Ground.

⁸ Excluding the multi-storey car park (closed) extending over 16,800 sqm GIA.

⁹ Appendix 1 of the Statement of Common Ground.

¹⁰ CD9.1

- 3.6 Despite its declining state, Anglia Square shopping centre is currently well occupied by national retailers and smaller, independent businesses (as set out in my proof on town centre and retail impact matters¹¹). Gildengate House is partly occupied by artists on a temporary basis, and there are some business premises off Pitt Street.
- 3.7 These uses currently support between 180-230 jobs¹², the majority of which are focused in the retail sector and creative industries. I assess that this number of jobs is low considering the size of the site, its mixed-use Large District Centre function, and its strategic position as a northern gateway to Norwich City Centre¹³.
- 3.8 The deficiency of on-site employment – and the poor economic conditions generally – is particularly significant considered in the broader context, with the ES confirming that:
- ...the Lower Layer Super Output Area (LSOA) within which the Site is located is in one of the 10% most deprived neighbourhoods in the country. Surrounding LSOAs are ranked as significantly less deprived in comparison, particularly to the North of the Site¹⁴.*
- 3.9 As set out in the Council’s committee report, this deprivation has a particular impact on children and older people in the area, which also suffers from high crime rates¹⁵.
- 3.10 Other indicators for Norwich point to a local economy that is under-performing in comparison to East of England and Great Britain. According to the ES:

¹¹ Ref. WH 5 / 1.

¹² Paragraph 11.85 of the ES [CD4.86] indicates that the site supports between 200-250 jobs. However, I note the cinema closed in February 2019 and therefore its circa 20 employees should be discounted.

¹³ Paragraph 3.1 of the PGN [CD2.11].

¹⁴ Paragraph 11.60 of the ES [CD4.86].

¹⁵ Paragraph 259 of the committee report [CD9.1].

- Average unemployment levels in Norwich (5%) are higher than East of England (3.5%) and Great Britain (4.5%)¹⁶; and
- Average gross weekly earnings for full-time employees in Norwich are circa 10% lower than the average for East of England and Great Britain¹⁷.

3.11 However, Norwich has a well-educated population; 38.8% of those aged 16-64 years (i.e. the economically active population) have a qualification of NVQ level 4 and above, which is higher than East of England (34.9%) and Great Britain (38.2%)¹⁸.

3.12 The proposed development therefore provides considerable scope to improve baseline economic conditions and support growth, which I assess in section 4 below.

¹⁶ Paragraph 11.71 of the ES [CD4.86].

¹⁷ Paragraph 11.72 of the ES [CD4.86].

¹⁸ Paragraph 11.75 of the ES [CD4.86].

4. LOCAL ECONOMY IMPACT OF THE APPLICATION PROPOSALS

- 4.1 The mixed use redevelopment of Anglia Square is a long-standing policy objective, with the potential to act as *a catalyst for the wider economic regeneration of the northern city centre*¹⁹.
- 4.2 The application proposals provide a mechanism to deliver a number of significant economic benefits, which should be viewed in the context that the Applicant owns the site (CTI) and has a track record of delivering schemes of this nature (Weston Homes PLC)²⁰.
- 4.3 With a substantial on-site residential population and the enhancement of the site's Large District Centre function and public realm, the development will create the conditions for businesses to invest and adapt. Whilst a net reduction of town centre floorspace is proposed²¹, it will be more efficient and sufficiently flexible (in terms of permissible use classes at ground floor level) to respond to changing market demand and support the long-term economic vitality of Anglia Square. It will therefore sustain a more significant employment base.
- 4.4 In the section below, I consider the local economy impact of the application proposals – specifically the construction phase and operational phase effects – based on the information set out in the ES and the SEI.

Construction phase effects

Construction-related employment

- 4.5 The redevelopment of the site will comprise four phases over a 10-year construction period.

¹⁹ Paragraph 5.5 (fourth bullet) of the PGN [CD2.11].

²⁰ As covered by the evidence of Francis Truss (Ref. WH 3 / 1).

²¹ The application proposals include up to 25,750 sqm GEA (comprising up to 11,000 sqm GEA of ground floor flexible commercial floorspace, 3,400 sqm GEA cinema and 11,350 sqm GEA hotel) compared to 32,441 sqm GIA (say 34,063 sqm GEA) at present, of which 16,468 sqm GIA is vacant.

- 4.6 It is assessed that the development will directly support an average of 250-300 construction jobs per day²². These jobs will provide roles at a range of skill levels and will vary as the construction phases progress.
- 4.7 The direct construction employment is likely to support 400-480 indirect and induced jobs over the construction period²³.
- 4.8 The ES comments that *the sustained construction phase will allow for the training of the local labour force and will help to tackle worklessness in the longer-term*²⁴. To this end, I note that the section 106 agreement being negotiated includes terms to optimise the local labour supply chain and procurement, and to offer training (inter alia).

Existing businesses

- 4.9 As set out previously, the site currently supports in the region of 180-230 jobs, the majority of which are focused in the retail sector and creative industries.
- 4.10 All existing businesses at the application will be displaced at some point during the 10-year construction period but as many as possible will remain open²⁵. The phased nature of the development will provide opportunities for CTI to relocate tenants (and therefore jobs) around the scheme as and when each phase is brought forward, which will assist in terms of obtaining vacant possession for future phases and ensure those tenants can continue trading within the Large District Centre.
- 4.11 It is envisaged that Gildengate House will remain available for temporary use as artist studios until its residential conversion in Phase 4 (subject to agreement of lease terms between CTI and Outpost). Thus, on the basis the conversion is expected to commence in 2029, the artists will have several years (at sub market rental) to find alternative accommodation.

²² Paragraph 11.157 of the ES [CD4.86].

²³ Paragraph 11.160 of the ES [CD4.86]: I note the ES assumes an 8-year construction period, and therefore the number of indirect and induced jobs cited is likely to be underestimated.

²⁴ Paragraph 11.162 of the ES [CD4.86].

²⁵ The section 106 agreement being negotiated includes a requirement for the Anglia Square Management Plan, which will include arrangements for existing businesses to maintain occupation and access until vacant possession is required (inter alia).

Operational phase effects

Direct employment

- 4.12 The SEI estimates that the proposed development could support between 535-762 jobs (including both full-time and part-time roles) as shown in Table 1 below.

Table 1 – Estimated employment generation (gross)

Use	Number of total jobs
Flexible Ground Floor Commercial	426-653
Hotel	83
Cinema	16
Chapel	10
TOTAL	535-762

Source: Derived from Table 11.1 of the SEI [CD7.81].

- 4.13 Noting that the site currently supports in the region of 180-230 jobs, the net employment impact of the proposed development could amount to an uplift of between 305-582 jobs²⁶.

Indirect employment

- 4.14 It is assessed that the additional jobs created across the site could support a further 60-118 jobs²⁷ in shops, services and other businesses within the Local Impact Area (see plan at Appendix CW1).

Residential population expenditure

- 4.15 The site has no housing at present, while up to 1,250 residential units are proposed. The ES estimates this would equate to an on-site residential population of 2,250²⁸ which could generate (inter alia):

²⁶ In this calculation, 230 jobs have been deducted from the lower end of the range (i.e. 535 jobs) and 180 jobs have been deducted from the upper end of the range (i.e. 762 jobs), consistent with the approach taken in the SEI [CD7.81].

²⁷ Paragraph 11.12 of the SEI [CD7.81]: I note this calculation is based on an uplift of between 286-563 (direct) jobs and therefore the number of indirect jobs cited is likely to be under-estimated.

²⁸ Paragraph 11.177 of the ES [CD4.86].

- in the region of £12.5 million on comparison goods (such as furniture and appliances) associated with furnishing their homes for the first time; and
- between £23.2-40.7 million each year on convenience (i.e. food and drinks) and comparison goods as well as recreational and cultural activities.

4.16 A high proportion of this new expenditure is likely to be retained in Norwich City Centre which, as outlined in my proof on town centre and retail impact matters²⁹, has a particularly strong comparison goods offer. The redeveloped Anglia Square, with its foodstore and other commercial uses, and the wider Large District Centre will also secure some of this new expenditure. This will help to sustain existing and new businesses, and therefore jobs.

Deprivation

4.17 As noted above, the location of the site has a high level of deprivation relative to the surrounding area, falling within one of the 10% most deprived neighbourhoods in the country. As a result, there is significant scope for the proposed development to deliver regeneration benefits and catalytic effects to reduce levels of deprivation in the area.

4.18 This would be achieved by:

- i. The delivery of up to 1,250 residential units, including at least 120 affordable dwellings and a mix of dwelling sizes to meet local needs;
- ii. Increased residential population expenditure to support local shops and services, and therefore jobs;
- iii. The employment opportunities created by the proposed development, during both the construction and operational phases. The latter would generate a significant number of jobs in the retail sector, which are typically filled by the local population (i.e. they would not be longer distance 'commuter' jobs); and
- iv. Improved access to an expanded range of facilities and public spaces.

²⁹ Ref. WH 5 / 1.

Labour market

- 4.19 The ES estimates that the economically active population arising from the proposed development would equate to 1,538 persons, representing an 18% uplift in the economically active population within the Local Impact Area and a 2% uplift across Norwich³⁰. This would provide opportunities for existing local businesses to expand and/or address the challenges of the future, and for new start-up businesses.

³⁰ Paragraph 11.191 of the ES [CD4.86].

5. SUMMARY AND CONCLUSIONS

- 5.1 My evidence sets out that the proposed development is consistent with the Government policies for building a strong, competitive economy (Chapter 6 of the Framework).
- 5.2 It has demonstrated that:
- 5.3 **First**, the mixed use redevelopment of Anglia Square is a long-standing policy objective, identified as having the potential to act as a catalyst for the wider economic regeneration of the northern part of Norwich City Centre.
- 5.4 **Second**, over half of the retail and other town centre floorspace at the application site is vacant, the multi-storey car park has closed and there are large areas of surface car parking. The site is therefore a blight on this part of the City Centre and detracts investment.
- 5.5 **Third**, Anglia Square falls within one of the 10% most deprived neighbourhoods in the country, while other indicators for Norwich point to an under-performing local economy.
- 5.6 **Fourth**, the 10-year construction period will support a significant number of jobs and allow for the training of the local labour force. During the construction phases, existing on-site businesses will maintain occupation and access until vacant possession is required.
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