Penzance Town Centre Spatial Strategy Report

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February 2018

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1.0 INTRODUCTION

The Penzance Regeneration Partnership (PRP) commissioned a consultant team led by Lavigne Lonsdale to develop a spatial strategy for Penzance town centre to explore the possibilities of creating additional employment/ mixed use provision within the town centre.

The first stage of the work programme was dedicated to research and analysis of the baseline study area which includes land within the BID (Business Improvement District) but focuses on Market Jew Street, Causewayhead, Chapel Street and Alverton Street (refer to Figure 1).

The first part of this document provides the baseline information covering;

Planning Policy Context	providing a summary of the relevant sections of National & Local policy
Socio- Economic Context	providing a review of the existing survey data and provide an analysis/summary of the findings
Market Appraisal	providing an initial review of the market context related to Penzance.
Physical baseline data	covering an analysis of the town centre in terms of ; - Access & Circulation - Car Parking and walkable areas - Land uses (Ground Floor and initial review of above shop floor accommodation) - Listed Buildings & Conservations Area - Townscape Character

The second part of this document looks at potential sites suitable for employment and mixed use regeneration within the town centre. These sites do however need to be reviewed holistically against other aspects such as public realm enhancements, transport strategies, housing need surveys, retail strategy , tourism strategy etc. so that a coherent overall masterplan/ direction for Penzance can be identified. Where these studies are not already underway we would recommend that consideration is given to commissioning them.

Part 2 includes:

May 2017 Workshop & Potential Identified Sites	Providing a summary of the May 2017 workshop and the identified potential sites (refer to Figure 2).
Priority Sites	Following the May 2017 workshop, a meeting with the PRP Steering group identified two sites that were progressed in more detail. These were then presented back to the stakeholders at a workshop in November 2017
Economic Appraisal	Providing an initial economic appraisal of the two priority projects.
Next Steps	Considering how to progress the priority projects.

Figure 3 shows the original programme for the works which identifies the process and the various meetings and workshops associated with the project. This also included attendance at the PZ Expo event on the weekend of the 4-5th March 2017. The programme was extended through to January 2018 so that further detail could be included in the study.

The Brief

- *Understand the economic health of Penzance Town Centre and the need to diversify what it offers in response to the retail market being shaped more than ever by technology and by changing consumer habits.*

- *Assess future space needs for class B1 employment and residential uses within the town centre*

- *Identify key development sites in and around the town centre*

- *Advice on the necessary delivery mechanisms required (financial, planning and legal) to implement the spatial study objectives.*

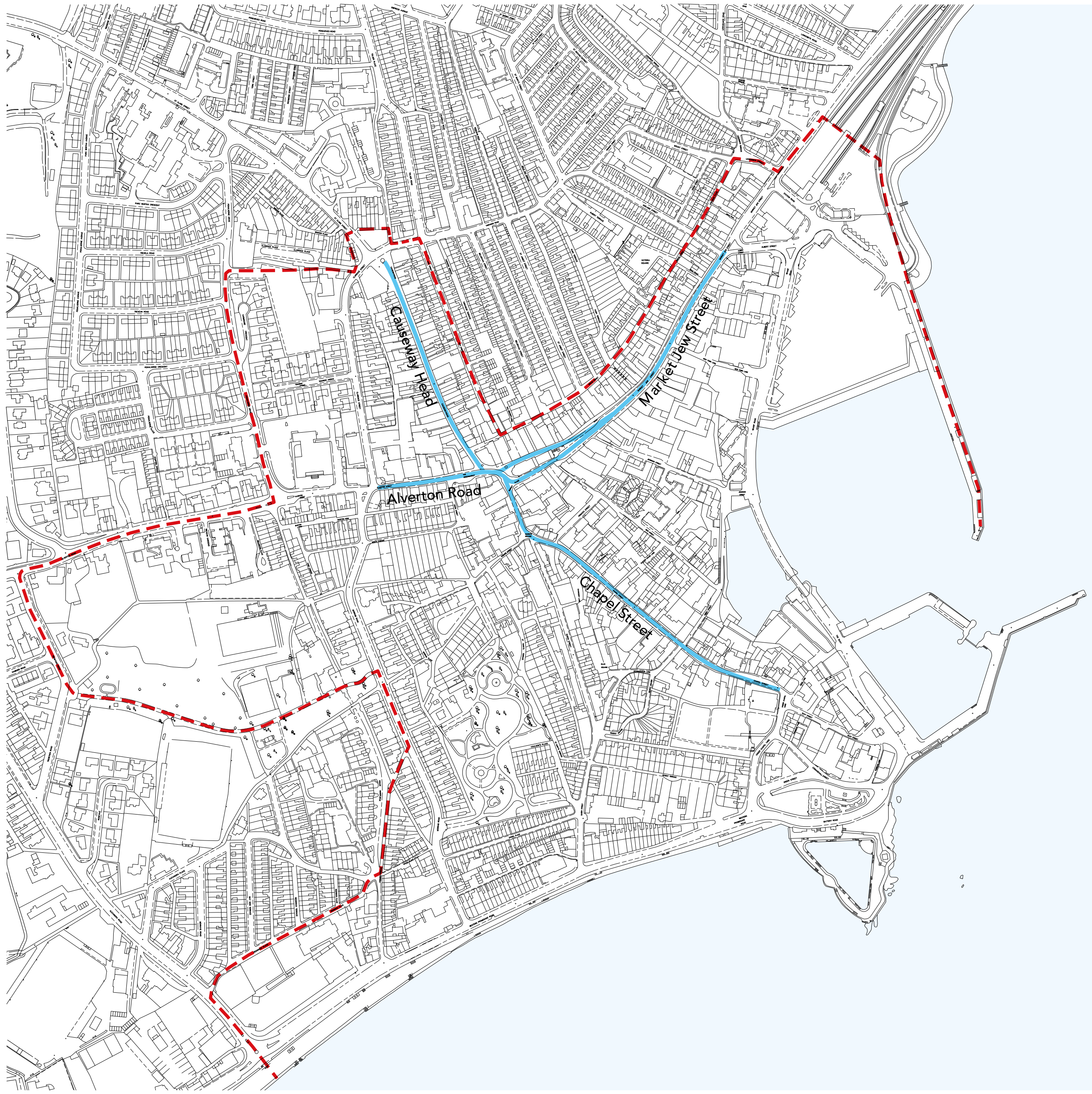
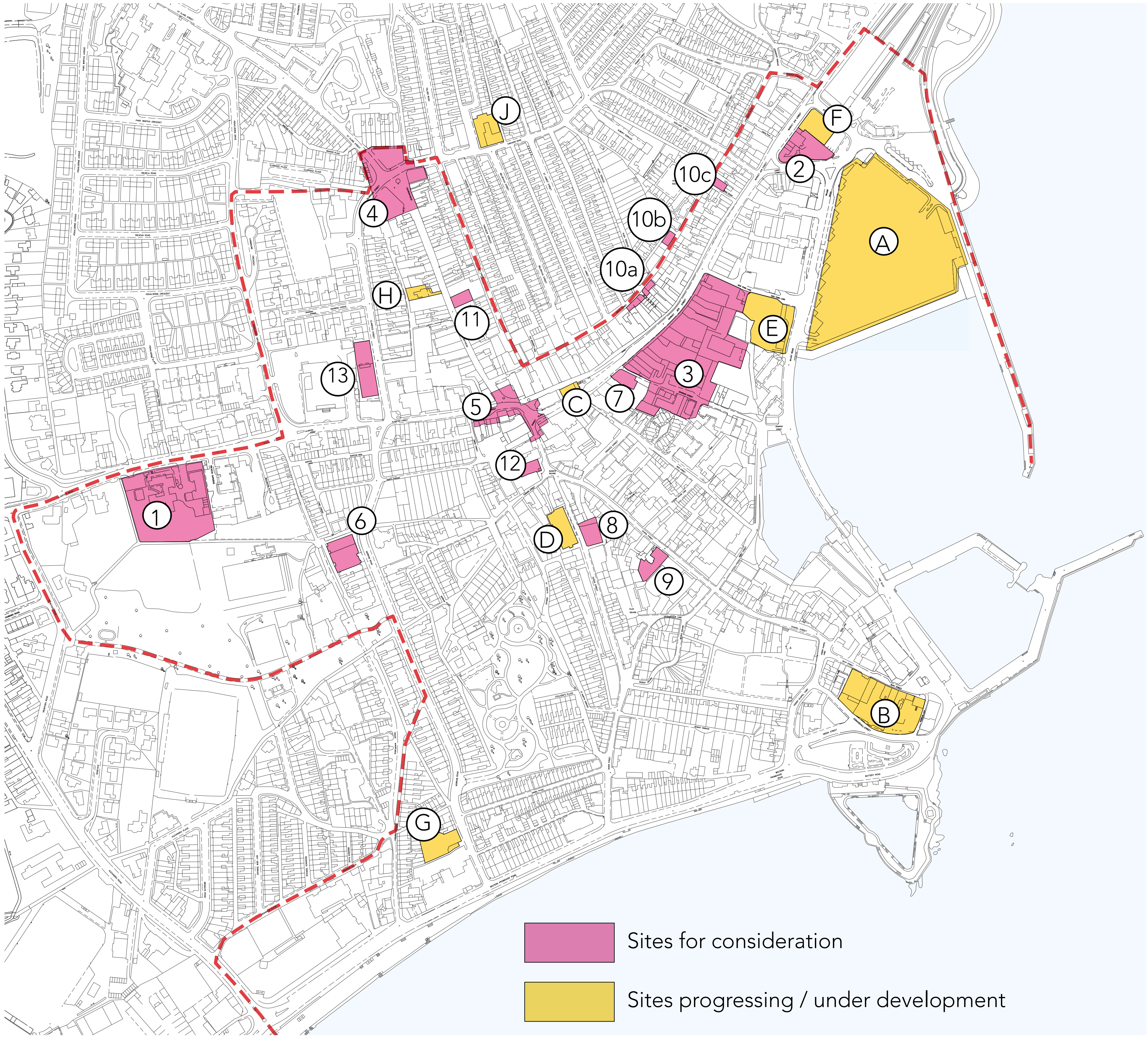


Figure 1: *Map from the tender specification highlighting the four main roads that make up Penzance Town Centre and the BID area dashed in red.*



Strategic Locations

1 Bellair Health Clinic
2 Penzance Gateway
3 Market Jew St Backlands
A Wharf Road/ Harbour
B Coinagehall Street
C Market House

Public Realm/ Opportunity Sites

4 Causeway Head North
5 Causeway Head South

Opportunity Sites

6 The Old Library & Arts Schools
7 The Old Post Office
8 Queen Street
9 Ganges Restaurant
10a Bread Street
10b Bread Street
10c Bread Street
D The Ritz
E Churchill
F Premier Inn
G Trelawny's Garage
H Savoy Cinema
J St Pauls Old School

Adaptable Retail

11 Causeway Head
12 Chapel Street

Figure 2: *Potential sites*

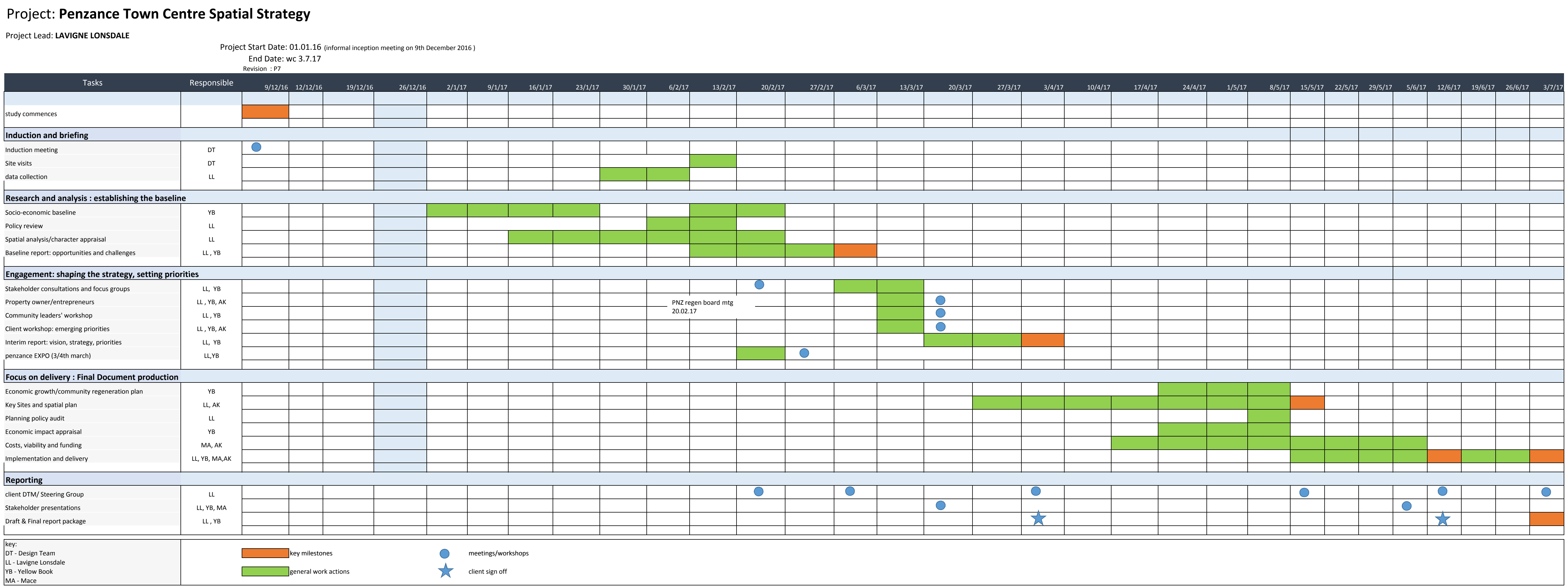


Figure 3: *Original project timeline/ programme*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Part 1

Baseline Information


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2.0 | PLANNING POLICY CONTEXT

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2.0 PLANNING POLICY CONTEXT :

The key National and Local Planning Policies that need to be considered are summarized in this chapter.

At this stage, key locally derived policies are still in the course of preparation and will ultimately replace the previous policies of the Penwith Local Plan, which was adopted by Penwith District Council in 2004.

The higher level policies and guidance provide important strategic context through the National Planning Policy Framework (NPPF), the accompanying Planning Practice Guidance (PPG) and Cornwall Local Plan Strategic Policies (CLP) but it is the more local policies and plans that are of critical importance in terms of trying to support the regeneration of Penzance.

Cornwall Council is now making good progress with the Site Allocations DPD; this includes specific site allocations and also sets the boundaries for the town centre and retail areas and frontages. This needs to be complemented by policies in the Penzance Neighbourhood Plan (PNP); this presents the opportunity to deliver a positive and realistic town centre strategy, that reflects market signals and evidence, promotes a mix of uses that best suits the attributes and constraints of Penzance, and is capable of responding to market change as well as the changing needs of business. It could also provide a basis for more proactive input from Cornwall Council, if there might be a need to use it's Compulsory Purchase Powers.

***Image 1:** The Arcade off of Market Jew Street*

2.1 NATIONAL PLANNING POLICY

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

2.1.1 The NPPF is based on 12 core planning principles, a number of which are particularly pertinent (and highlighted below) to the issues facing Penzance, advising that planning should:-

"*be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area. Plans should be kept up-to-date, and be based on joint working and co-operation to address larger than local issues. They should provide a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency;"*

"not simply be about scrutiny, but instead be a creative exercise in finding ways to enhance and improve the places in which people live their lives;"

"proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities;"

"promote mixed use developments, and encourage multiple benefits from the use of land in urban and rural areas, recognising that some open land can perform many functions (such as for wildlife, recreation, flood risk mitigation, carbon storage, or food production);"

"conserve heritage assets in a manner appropriate to their significance, so that they can be enjoyed for their contribution to the quality of life of this and future generations;"

"take account of and support local strategies to improve health, social and cultural wellbeing for all, and deliver sufficient community and cultural facilities and services to meet local needs."

2.1.2 NPPF paragraphs 23 to 27 are concerned with ensuring the vitality of town centres. Paragraph 23 is highly relevant, in particular the highlighted text:-

"*Planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. In drawing up Local Plans, local planning authorities should:*

- *recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;*
- *define a network and hierarchy of centres that is resilient to anticipated future economic changes;*
- *define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;*
- *promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;*
- *retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;*

- *allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;*

- *allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;*

- *set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;*

- *recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and*

- *where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.*

PLANNING PRACTICE GUIDANCE (PPG)

2.1.3 The NPPF is reinforced by Planning Practice Guidance 'Ensuring the vitality of town centres' (Reference ID: 2b-001-20140306 to 2b-018-20140306). Amongst other things, this highlights:-

'the importance of a positive vision or strategy for town centres, articulated through the Local Plan. Once adopted a Local Plan, including any town centre policy that it contains, will be the starting point for any decisions on individual developments. Local planning authorities should work with the private sector, Portas Pilot organisations, town teams, neighbourhood planning groups, town centre management organisations and other relevant groups when developing such strategies. Non-planning guidance produced by other government departments and the sector may be useful in producing such a strategy.'

2.1.4 The guidance advises that any strategy should be based on evidence of the current state of town centres and opportunities to meet development needs and support their viability and vitality. It also suggests that strategies should answer the following questions:

- '*What is the appropriate and realistic role, function and hierarchy of town centres in the area over the plan period? This will involve auditing existing centres to assess their role, vitality, viability and potential to accommodate new development and different types of development. This assessment should cover a 3 to 5 year period, but should also take the lifetime of the Local Plan into account and be regularly reviewed*

- *What is the vision for the future of each town centre? This should consider what the most appropriate mix of uses would be to enhance overall vitality and viability*

- *Can the town centre accommodate the scale of assessed need for main town centre uses? This should include considering expanding centres, or development opportunities to enable new development or redevelop existing under-utilised space. It should involve evaluating different policy options (for example expanding the market share of a particular centre) or the implications of wider policy such as infrastructure delivery and demographic or economic change*

- *In what time frame should new retail floorspace be provided?*

- *What complementary strategies are necessary or appropriate to enhance the town centre and help deliver the vision for its future, and how can these be planned and delivered?*

- *How can parking provision be enhanced and both parking charges and enforcement be made proportionate, in order to encourage town centre vitality? Strategies should identify changes in the hierarchy of town centres, including where a town centre is in decline. In these cases, strategies should seek to manage decline positively to encourage economic activity and achieve an appropriate mix of uses commensurate with a realistic future for that town centre.'*

2.1.5 Further advice is given on market signals, suggesting that:

'Local planning authorities should take full account of relevant market signals when planning for town centres and should keep their retail land allocations under regular review. These market signals should be identified and analysed in terms of their impacts on town centres. This information should be used to inform policies that are responsive to changes in the market as well as the changing needs of business.'

2.1.6 The PPG suggests that the following indicators, and their changes over time, are relevant in assessing the health of town centres:

- diversity of uses
- proportion of vacant street level property
- commercial yields on non-domestic property
- customers' views and behaviour
- retailer representation and intentions to change representation
- commercial rents
- pedestrian flows
- accessibility
- perception of safety and occurrence of crime
- state of town centre environmental quality

These health check indicators need to be reviewed by the BID/ Cornwall Council and fed into the emerging masterplan strategy for Penzance.

2.1.7 It also points out that:

"*not all successful town centre regeneration projects have been retail led or involved significant new development. Improvements to the public realm, transport (including parking) and accessibility as well as other measures promoted through partnership can also play important roles.*"

Any strategy should identify relevant sites, actions and time scales, and be articulated clearly in the Local Plan, where it can be considered by local people and investors. It should be regularly reviewed, assessing the changing role and function of different parts of the town centre over time.

2.1.8 The advice also considers the role that tourism can play, including the need to:

- examine the broader social, economic, and environmental impacts of tourism;

- analyse the opportunities for tourism to support local services, vibrancy and enhance the built environment.

2.1.9 Guidance is also provided on how the sequential and impact tests should be used to deliver the Government's 'town centre first' policy. This is primarily intended for the Local Planning Authority, but further detail can be provided if required.

2.2 Local Planning Policy

2.2.1 There are four key policy documents that need to be considered. Two of these are adopted (Cornwall Local Plan Strategic Policies 2010-2030, adopted in November 2016, and the Penwith Local Plan adopted in 2004, largely out of date but some of the policies have been 'saved'); the other two documents are currently being prepared (Cornwall Local Plan Site Allocations DPD and the Penzance Neighbourhood Plan).

Cornwall Local Plan Strategic Policies 2010-2030.

2.2.2 This is briefly summarized in the socio-economic draft report, particularly in terms of levels of development proposed for Penzance.

2.2.3 The two key policies to consider are Policy 4 (Shopping, services and community facilities) and Policy 5 (Business and tourism)

Policy 4 Shopping, services and community facilities

2.2.4 This establishes the town and retail centre hierarchy for Cornwall and policies to control and direct town centre-related development, including the role of sequential and impact tests. Site Allocations will be proposed either through the Allocations DPD or Neighbourhood Plans; in the case of Penzance this will be through the Site Allocations DPD. Where they are required, thresholds for retail impact tests will be included in the Site Allocations DPD.

2.2.5 The Local Plan has established town centre boundaries, primary shopping areas and primary shopping frontages, defined on the proposals map inserts (on which the last category are noted as primary "retail" frontages)- refer to Figure 4. The Council has not defined secondary shopping frontages, but the primary shopping areas have been defined to include appropriate secondary frontages. Detailed definitions of these areas and frontages are indicated on plans included in the Site Allocations DPD (as fig. PZ2, Penzance Town Centre).

2.2.6 Policy 4 also states that:

1. "*Development will be permitted where it supports the vitality and viability of town centres, investment within them, and maintains and enhances a good and appropriate range of shops, services and community facilities.*

   Retail and other main town centre uses outside defined town centres (with the exception of small scale rural development) must demonstrate the application of a sequential approach to site selection, where the proposals exceed the applicable threshold, show there is no significant adverse impact on the viability and vitality of, and investment within, the existing centres.

2. *Proposals for shops, financial and professional services, and food and drink establishments (Use Class A) will be permitted within the defined town centre primary shopping areas, where:*

   i. *They do not individually or together with other proposals undermine the vitality or viability of the town centre; and*
   ii. *The proposal is consistent with the scale and function of the town centre; and*
   iii. *Consideration is given to ensuring that proposals do not eliminate separate access arrangements to the upper floors, which could be used for residential or alternative uses.*

3. *Within the primary retail frontages identified on the proposals map, the change of use of ground floor Class A1 shop premises to Class A2, A3, A4 and A5 will only be permitted where the proposed use would not undermine the retail function of the town centre and maintain and enhance its vitality and viability. The determination of each application will have regard to the following factors:*

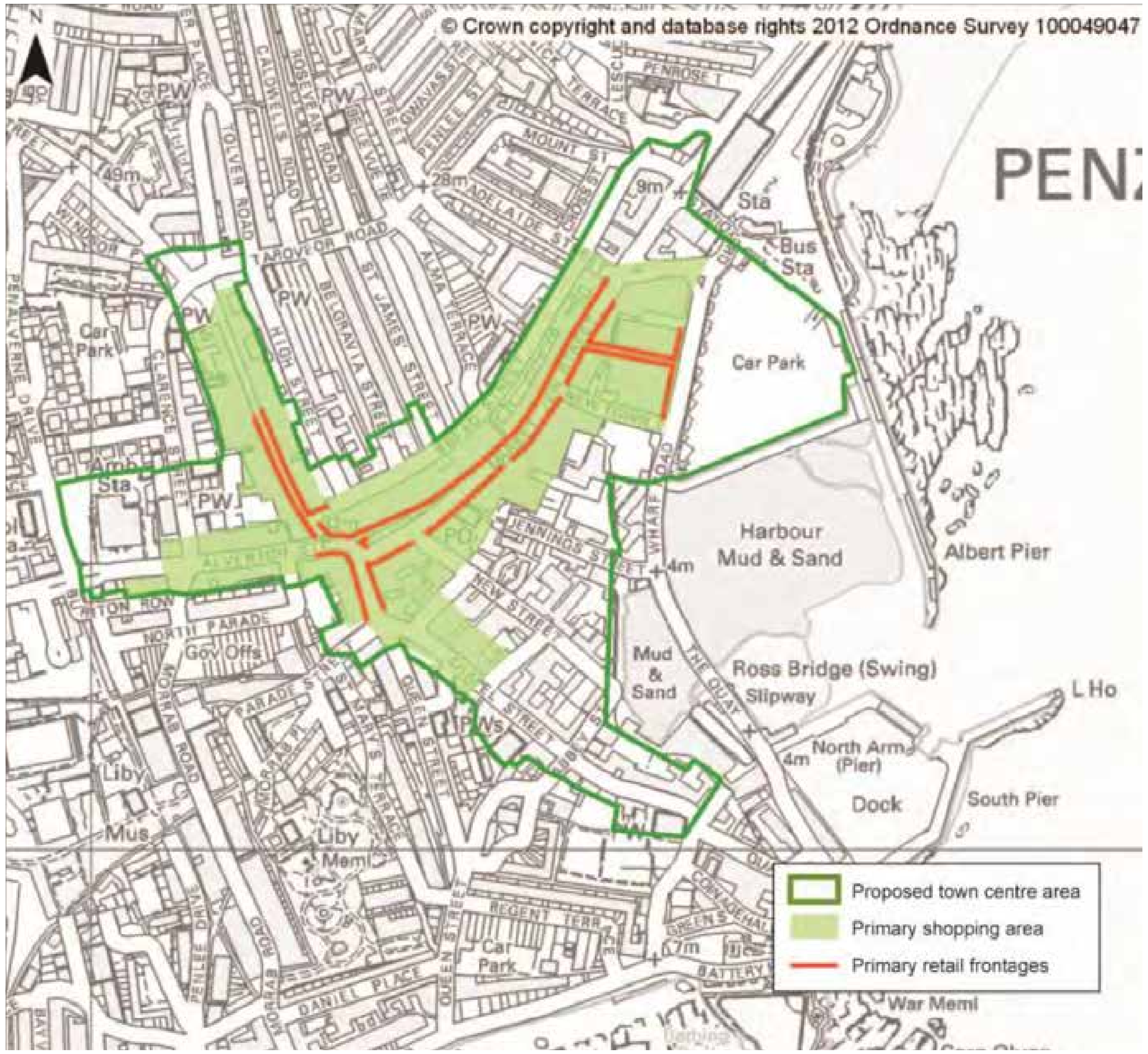

Figure 4: *Town Centre Retail Core*

i. *The location and prominence of the premises;*
ii. *The size and width of the premises;*
iii. *The number and distribution of other existing and committed non-A1 uses within the defined primary retail frontage (including any premises subject to current Permitted Development changes of use);*
iv. *Where applicable, the length of vacancy of the premises and evidence of marketing for the current permitted use;*
v. *The nature and character of the proposed use; and*
vi. *The design of the shop-front.*

4. *The above considerations will normally be sufficient to assess applications for a change of use. Premises do not have to be vacant or marketed for a change of use to be acceptable. Nevertheless, the length of any vacancy of the premises and evidence of unsuccessful marketing for the current permitted use may be evidence of a lack of demand and changing retail patterns."*

Policy 5 Business and Tourism

2.2.7 Policy 5 reflects Cornwall Council's recognition that in order to make the economy competitive it is important to remove unnecessary barriers and to provide a positive policy framework, supporting jobs, business and investment with a focus on sustaining a range of local businesses.

2.2.8 The Plan provides targets for the provision of employment space to ensure the continued availability of business space. The allocation and safeguarding of employment space to meet this need will be made through the Allocations DPD and/or Neighbourhood Plans. The employment space targets are as floor space to provide the most useful proxy to jobs but also allow for locally defined densities and character of business space through the Site Allocations DPD or Neighbourhood Plans.

2.2.9 The supporting text for Policy 5 helpfully recognises the need for flexibility in supporting business and the local economy, and includes reference to supporting creative industries.

Policy 5: Business and Tourism:

1. *To ensure a continued supply of appropriate business space, proposals for new employment land and uses should be:*

   i. *well integrated with our city, towns and villages; or*
   ii. *within areas that are well served by public transport and communications infrastructure; or*
   iii. *in the countryside and smaller rural settlements be of a scale appropriate to its location or demonstrate an overriding locational and business need to be in that location such as farm diversification; or*
   iv. *an extension to an existing business where re-location would be impractical or not viable.*

2. *Proposals that would result in the loss of business space must:*

   i. *demonstrate there is no market demand through active and continued marketing for at least a period of 9 months; or*
   ii. *result in the provision of better quality employment space allowing for mixed use; or*
   iii. *be necessary to meet a clear need for community facilities; or*
   iv. *be unsuitable to continue as business use due to environmental considerations.*

3. *The development of new or upgrading of existing tourism facilities through the enhancement of existing or provision of new, high quality sustainable tourism facilities, attractions and accommodation will be supported where they would be of an appropriate scale to their location and to their accessibility by a range of transport modes. Proposals should provide a well balanced mix of economic, social and environmental benefits.*

4. *Site Allocations Development Plan Documents and Neighbourhood Plans should identify new land, and safeguard appropriate existing land, necessary for the delivery of the economic strategies for Cornwall. These allocations should be based on an assessment that considers the ability of the quantity, nature and quality of existing space and any commitments to meet the space requirements set out in Policy 2a and the needs of particular sectors.*

   The assessment should:

   - Assess the ability of vacant sites and buildings identified in the Employment Land Review to meet that need; and
   - consider if any shortfall can be reasonably met through windfall sites coming forward; and
   - Identify sites for further employment space, where necessary, to address the targets set out in the policy 2a; and
   - Identify existing employment land and/or buildings that are considered to be of strategic, and where appropriate, local significance for safeguarding.

   Strategic Employment Sites or allocations are sites of 5ha or more, including those comprising multiple units predominately within the B use classes, or sites that offer the potential to attract particular sectors or end users that have specific requirements with respect to scale, location or the particular attributes of a site, e.g. for marine uses/ aerospace/ telecommunications related to the smart specialisations set out in the Local Plan Strategy.

   Locally Significant Employment Sites are sites which make a significant contribution in terms of space or job provision within a Neighbourhood Plan area.

Penwith Local Plan 2004

2.2.10 The Penwith Local Plan was adopted in 2004 and is in many respects out of date, having been superseded by later plans, policy guidance and legislation issued since then. There are however, six polices/proposals from the Penwith Local Plan that have been ‘saved’ by Cornwall Council and which therefore carry some planning weight, until they are superseded by the Site Allocations DPD and/or the Penzance Neighbourhood Plan.

2.2.11 The saved proposals are TVA (former Cornwall Farmers site/Gasworks), TVB (improved provision of cargo handling facilities in the harbour) and TVC (Jubilee Pool/ Battery Road).

2.2.12 The saved policies are TV22 (controlling development within the Bread Street area), TV23 (controlling development in the harbour car park), and TV24 (controlling development in the harbour side).

Cornwall Local Plan Site Allocations DPD

2.2.13 This document produced by Cornwall Council identifies strategic sites within Cornish towns for future development. This was published for consultation in September 2016 and included separate sections and proposed site allocations for the main towns including Penzance and Newlyn.

2.2.14 Following the consultation, Cornwall Council have considered representations and amendments were considered by the Council’s Planning Policy Advisory Committee on 20 February 2017 and will be considered by Cabinet on 16 March 2017. Subject to Cabinet approval, it will then be subject to further consultation and submission to the Planning Inspectorate.

2.2.15 Figure 5, Figure 6 & Figure 7 show the sites that have been identified in the DPD document within Penzance

Policy: PZ-H9	**St Clare**
Site area: 6.75 hectares	**Allocation:** Mixed use site, incorporating approx. 120 dwellings; B1a and /or B1c employment space; D1 Health

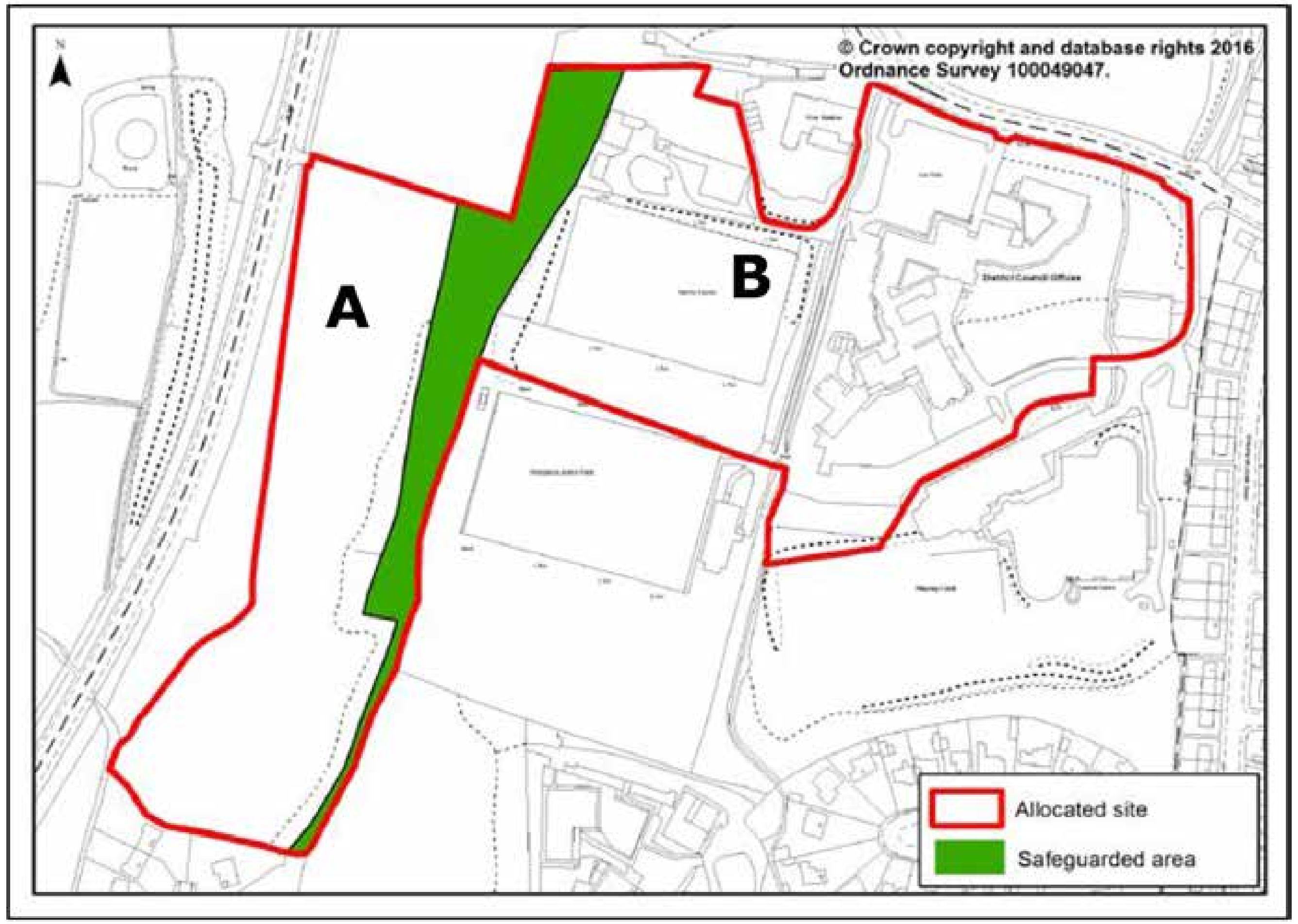

Figure 5: *St Clare*

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Policy: PZ-M1	Harbour Carpark
Site area: 1.2 hectares	**Allocation:** Uses permitted is a combination of: A1, A2, A3, A4, A5 uses; B1 uses; C1, C3, C4 uses; D1 and D2 uses

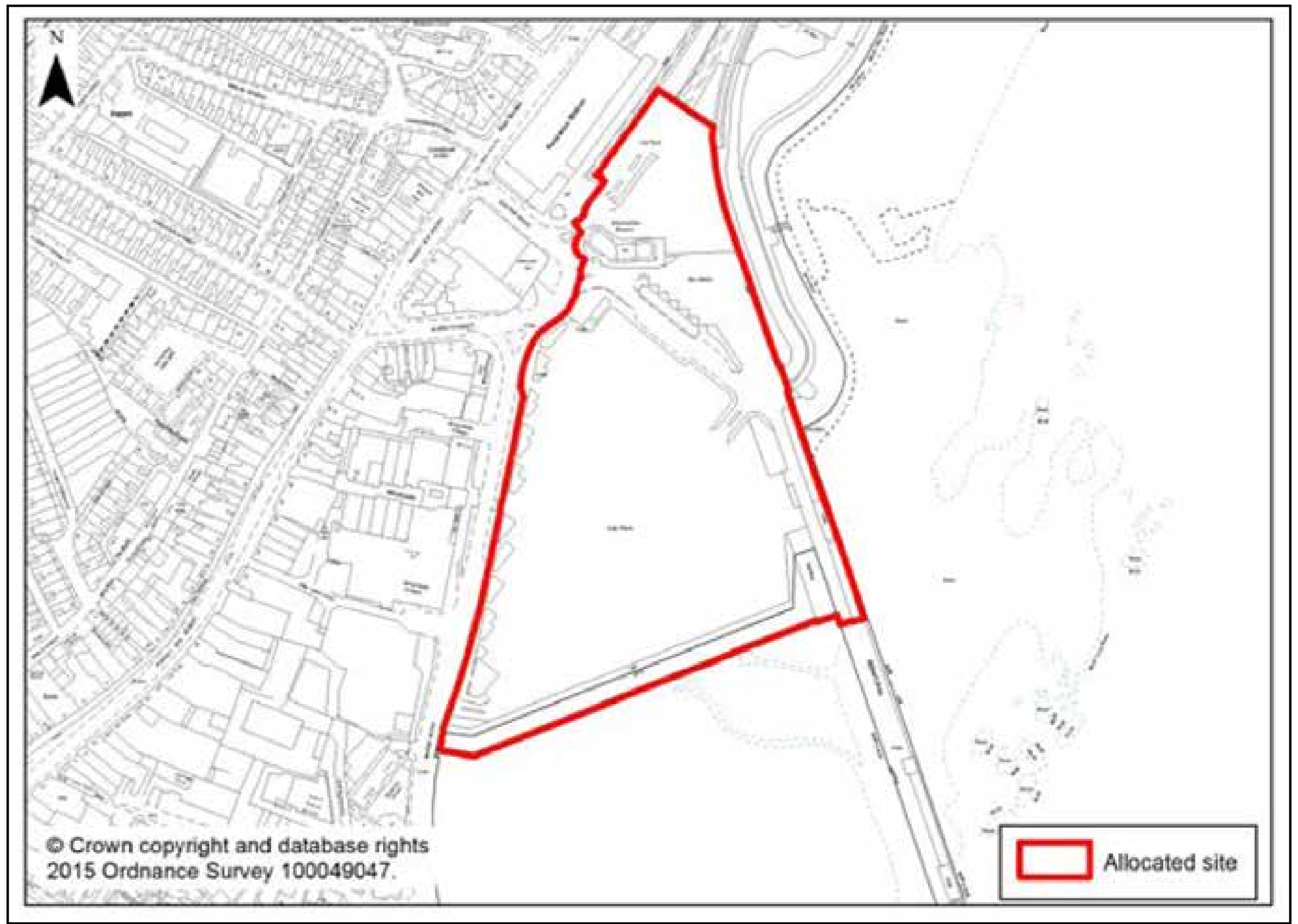

Figure 6: *Harbour Carpark*

Policy: PZ-M2	Coinagehall Street
Site area: 1.2 hectares	**Allocation:** A3-A4 Retail uses; B1a offices uses; C1 hotel use; C3 dwelling houses; D1 leisure uses

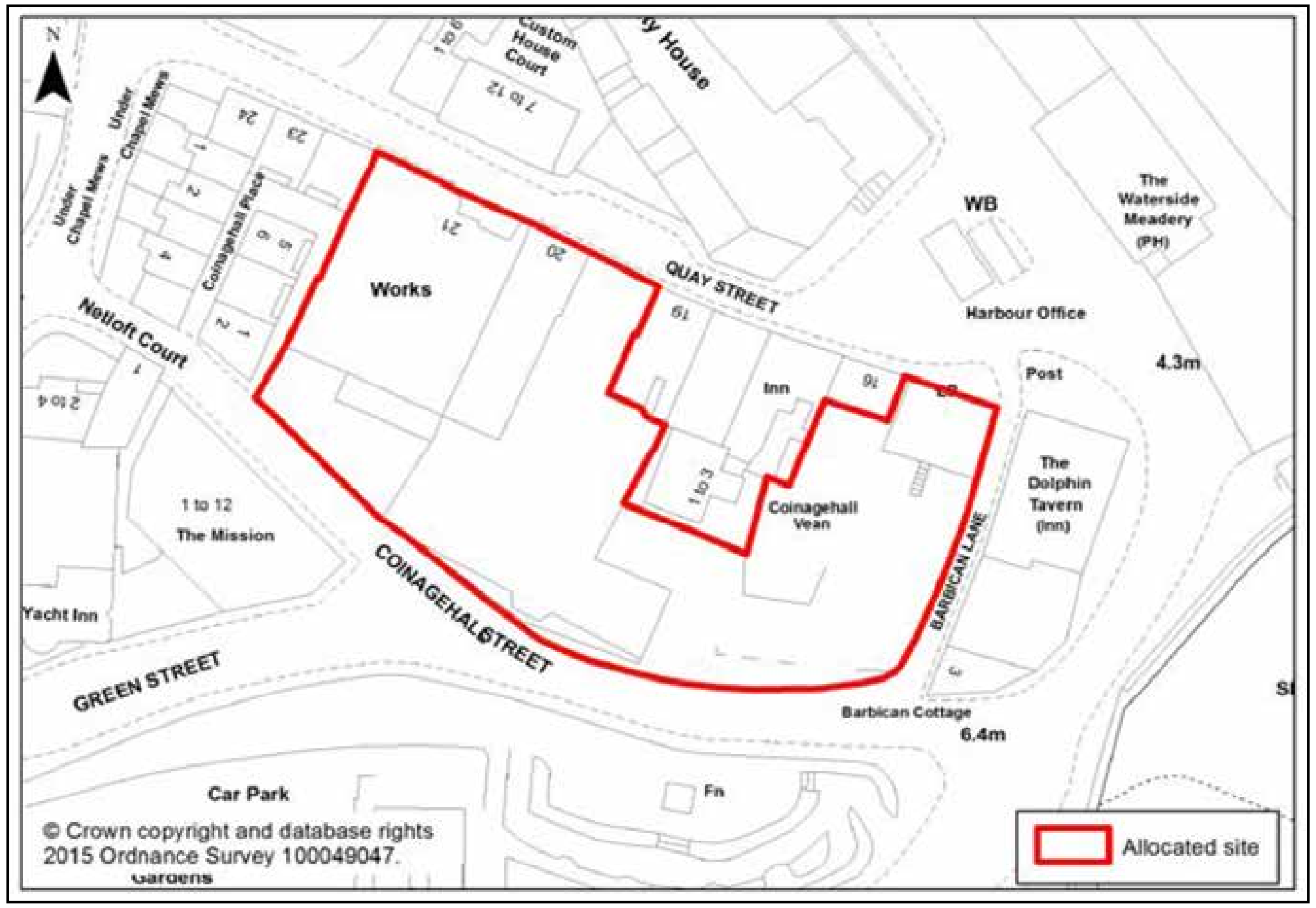

Figure 7: *Coinagehall Street*

Penzance and Newlyn Area Framework Plan : A Creative Maritime Town; Aecom February 2011

2.2.16 This report was commissioned by Cornwall Council and SWRDA in October 2009. The aim was to increase the attractiveness of Penzance and Newlyn as a place to live and work and to assist in the development of an increasingly knowledge based and higher value added economy, supporting the rural hinterland.

The vision for Penznace was to make it into a "Creative Maritime Town".

2.2.17 Various strategies were produced for the town as a whole which included town centre specific ideas. These included the following ;

Urban Design Character & Context :

1. Maximise the value of Penzance's positive relationship and position with Mounts Bay.
2. Substantially improve the quality of the public realm.
3. Encourage the repair of the townscape and urban grain by re-use of undeveloped sites and refurbishment of under used buildings.

Transport & Movement :

1. Reduce the amount of through-traffic passing through central Penzance but without discouraging traffic to the town centre itself.

Green Infrastructure Strategy :

1. Reinforce Wharf Road, Market Jew Street and Alverton Road as important green corridors linking into the wider rural landscape and local parks.
2. Consider a tree planting strategy into Secondary streets.

Strategic Urban Design Principles :

1. Connect the town centre to the waterfront
2. Protect, enhance and create views out to the sea
3. Reinvigorate the town centre with enhanced pedestrian friendly streets
4. Encourage new development on vacant sites, repairing the townscape and bringing new activity (live work and play) to key locations in the town.

2.2.18 With regards to specific town centre issues, it identified the following points under chapter 3.7 (The Harbour & Town Centre Core).

i. Market Jew Street/ Wharf Road - The urban form is fragmented and there are a number of sites offering potential for redevelopment including land on Jennings Street and New Town Lane.
ii. The Railway Station and surrounds – The surrounding area is fragmented and dominated by traffic, hence the sense of arrival to the town is underwhelming and routes to the town centre are unclear.
iii. Pedestrian Connections – Pedestrian connections into the core area from Wharf Road, St Clare and the rail station are via traffic dominated streets with limited and awkward crossings.
iv. Should the commercial values be sufficient, the south side of Market Jew Street should be re-developed to provide a stronger retail frontage that sits better with the historic core and provide a much needed facelift to the Wharfside shopping centre.

2.2.19 Figure 8 shows the potential development scenarios for the Town Centre south of market Jew Street. It shows improvements to Jennings Street, New Town Lane and development of the south side of Market Jew Street and the Backlands area. The largest scheme is however the harbour and eastern gateway around the station. We understand that Cornwall Council are currently progressing this scheme.

2.2.20 The current Lavigne Lonsdale report is therefore partially tasked with considering some of these aims and objectives and finding ways to deliver them.

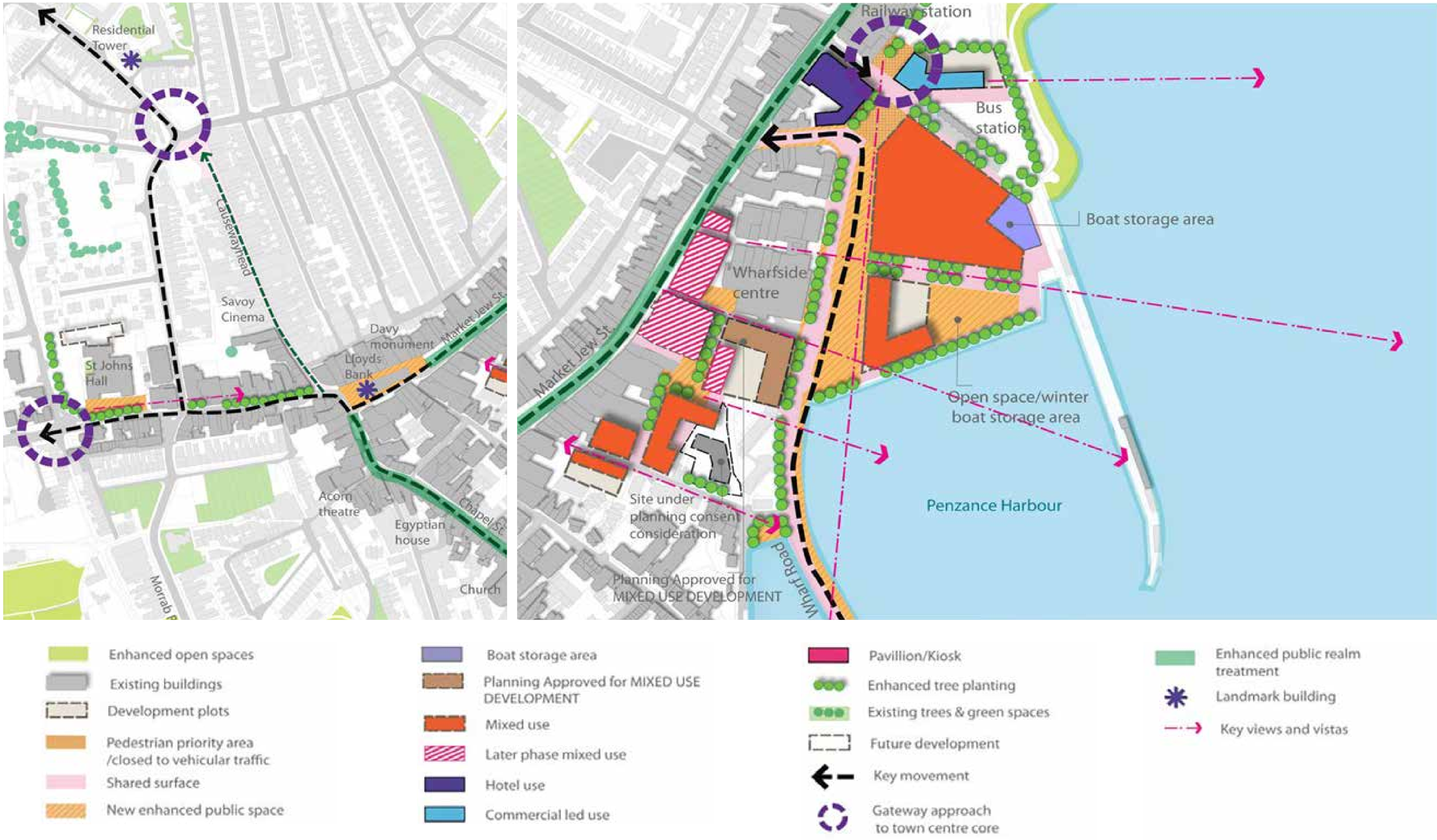

Figure 8: **Potential development scenarios**

Source: A Creative Maritime Town; Aecom February 2011

Neighbourhood Plan

2.2.21 The Neighbourhood Plan is an emerging document with a set of strategies that closely align with the Aecom 2011 report. The Plan is very pro-active in relation to development and future growth and improvement for the town. We understand that the Plan is due to be issued for consultation in April 2018.

2.2.22 Figure 9 show the emerging strategy in relation to the eastern gateway, Coinage Hall Street and the town centre core and is referred to as the “3 legged stool”. These three areas have been identified for strategic improvements both in terms of future development but also with regards to transport and public realm improvements.

2.2.23 Figure 10 Focuses on the town centre “ Humphry Davy Quarter” and the need to restore the beautiful Market House and enhance the town centre core.
The Neighbourhood Plan team are currently writing the policy aspects which will include the need for flexibility within the town centre uses.

2.2.24 The team behind the Neighbourhood Plan (Susan Stuart & Keith Bell) are also part of the Steering Group related to the Lavigne Lonsdale study to ensure continuity with the direction of the overall aim for the town.

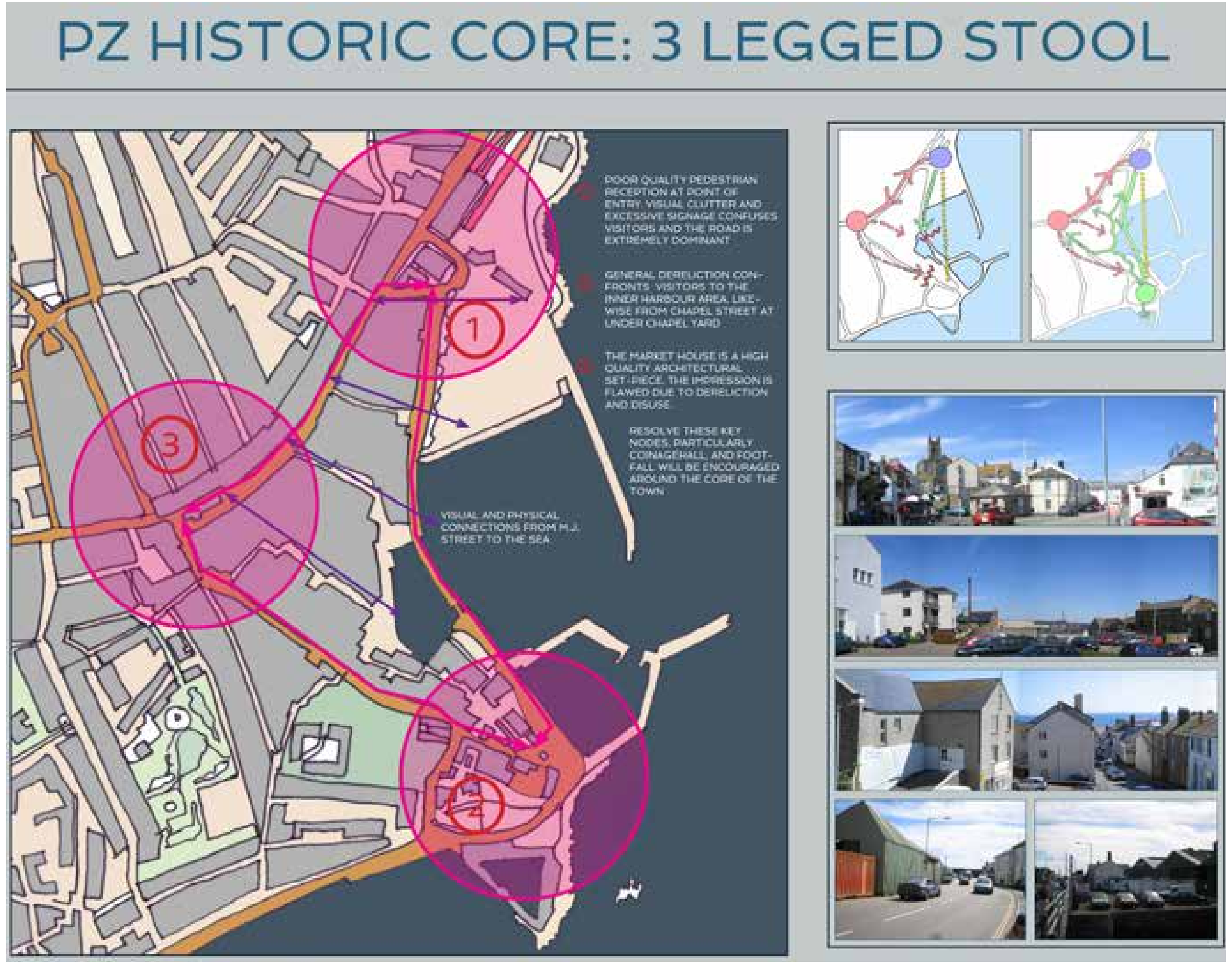

Figure 9: **Emerging strategy in relation to the “3 Legged Stool”**
Source: Neighbourhood Plan

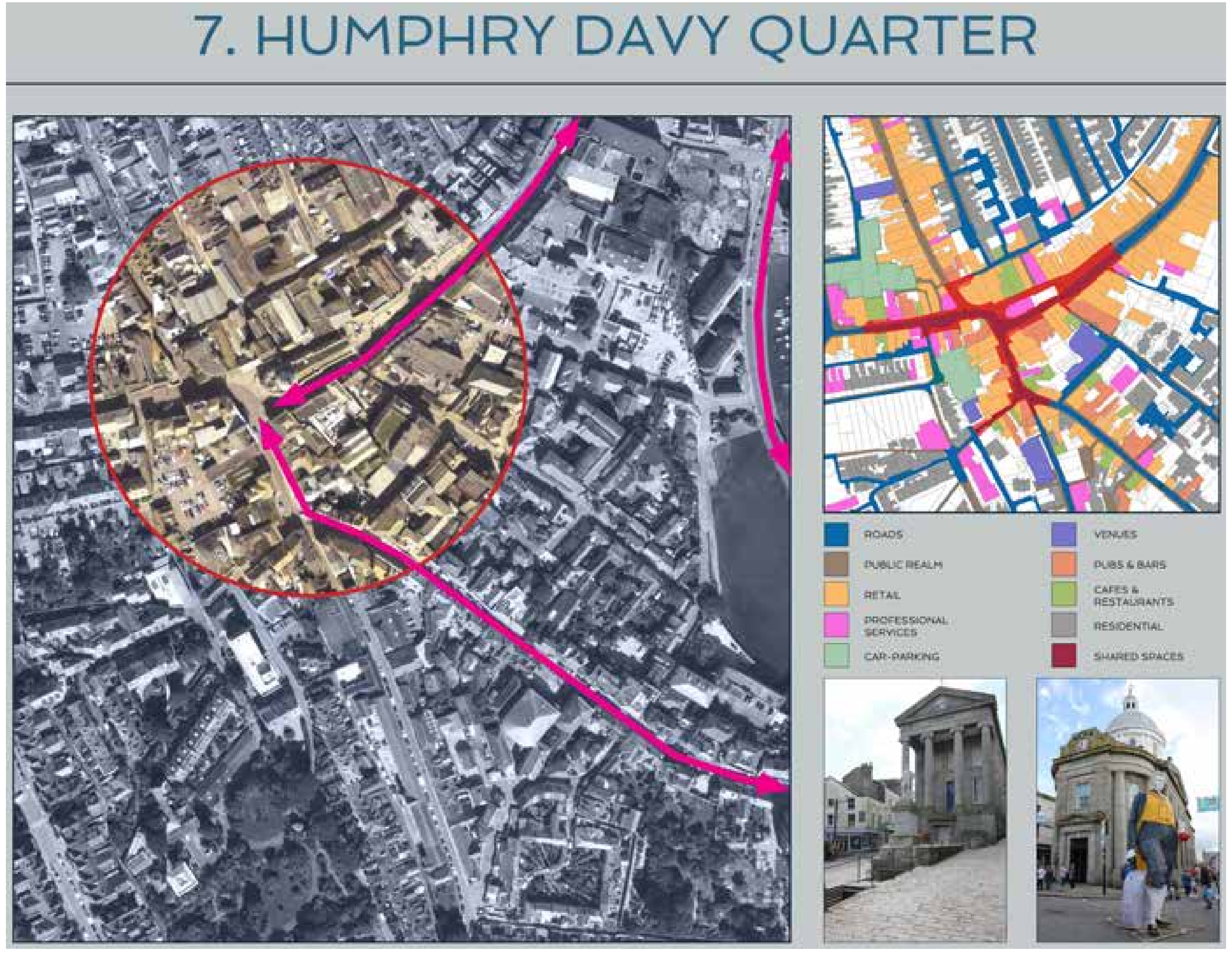

Figure 10: **Emerging strategy for the "Humphry Davy Quarter"**
Source: Neighbourhood Plan

Summary of Planning Context

2.2.25 There has been a noticeable shift on central and Local Government thinking in relation to Town Centre's and how planning should support the retail component. There is more emphasis on creating robust mixed use centre's, including residential, leisure and employment uses with a tight core of retail.

2.2.26 The previous Aecom report provided a useful context and direction for the town and many of the findings need to be tested as part of this report- refer to Section 7 & 8

2.2.27 The most important finding though is that the Neighbourhood Plan is supportive of the actions that arise from this study and that town centre flexibility is essential for the town centre to survive.

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3.0 | SOCIO-ECONOMIC BASELINE

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3.0 Socio-Economic baseline

3.1 Baseline Introduction:

This section of the report is split into six sections, including this introduction, as follows:

- Section 3.2 looks at the regional context. It draws on reports commissioned by the LEP and others to identify key issues, challenges and opportunities, and review current strategies
- Section 3.3 presents data on the economy of Penzance, employment and labour
- Section 3.4 reviews current local policies, partnership initiatives and research
- Section 3.5 discusses retail trends affecting town centres and examines the local retail market
- Section 3.6 contains a brief summary of our findings.

3.2 The Economy of Cornwall

3.2.1 Cornwall Council published *its Economy and Culture Strategy* in 2013. It highlights 6 key issues for the Cornwall economy:

- business transformation
- connectivity
- creativity and cultural heritage
- employment and skills
- leadership
- low carbon economy

3.2.2 These themes are explored in more detail in the *Cornwall & Isles of Scilly Strategic Economic Plan*, published in 2014 by the C&IoS Local Enterprise Partnership (LEP). The Plan summarises "the well-rehearsed…narrative" of the region's socio-economic challenges, which include:

- low levels of productivity and innovation
- high levels of self-employment and economic activity
- major issues with housing affordability.

3.2.3 These have been enduring issues in Cornwall, but the Plan also notes the region's "strong distinctive asset base and track record of delivering change in key areas". It highlights the region's:

- environmental assets contributing to quality of life and a basis for low carbon technology development
- cultural distinctiveness, including the creative and cultural strengths of Falmouth University
- research and development including innovation and R&D centres, and specialist schools
- superfast broadband
- opportunities for accelerating the growth of micro and small businesses
- strategic transport infrastructure.

3.2.4 The Plan acknowledges that the performance of the Cornwall economy continues to lag behind other UK regions despite "high per capita levels of public support over recent decades". The report attributes the persistence of these challenges to factors including:

- poor connectivity compounded by extreme weather events
- the continuing dominance of traditional, low-growth sectors
- the impact of the global financial crisis
- low take-up of programmes and initiatives.

3.2.5 The Strategic Economic Plan sets out a vision of "a thriving and vibrant Cornwall and Isles of Scilly economy benefitting from our vast local assets and innovating our way into global markets". It identifies three strategic priorities and fifteen key interventions for the plan period (Figure 11):

3.2.6 A refreshed version of the *Strategic Economic Plan* was published for consultation in October 2016. The revised plan is located in the wider policy framework for Cornwall as shown in Figure 12.

Priorities/interventions	Description
Future Economy FE1 Newquay Cornwall Airport FE2 Renewable energy FE3 Agri-food and agri-tech FE4 e-health and smart homes FE5 Digital economy	Investing in new and emerging markets where C&IoS has competitive advantage. R&D and innovation driving growth.
Growth for Business GB1 Growth Hub GB2 Support for growth companies GB3 Grow on and workspace GB4 Export growth GB5 Innovation culture	Accelerating productivity growth and competitiveness, focusing on firms with growth potential. A business culture based on research, development, innovation and accessing new markets.
Conditions for growth CG1 Strategic connectivity/infrastructure CG2 Isles of Scilly infrastructure CG3 Right homes, right place CG4 Skills, talent, aspiration CG5 Community capacity and resilience	Establishing the foundations for growth and taking the brakes off business

Figure 11: C&IoS Strategic Economic Plan: summary
Sources: C&IoS LEP

3.2.7 Arguments around the distinctiveness of the Cornish economy are reiterated in the document which also describes progress made in the past decade, notably:

- an increase in the number and density of jobs
- a big increase in the number of residents with qualifications at degree level and above
- the percentage of working age people in employment is now higher than in the UK.

3.2.8 The Strategic Economic Plan also confirms the persistent and related challenges of low wages and low productivity. These are “acute”problems: average gross weekly earnings stalled in Cornwall between 2008-10 and 2013-15, while they grew by about 5% nationally. There is a 30% earnings gap between Cornwall and England. GVA per job declined from 78% of the English average in 2005 to 74% in 2014.

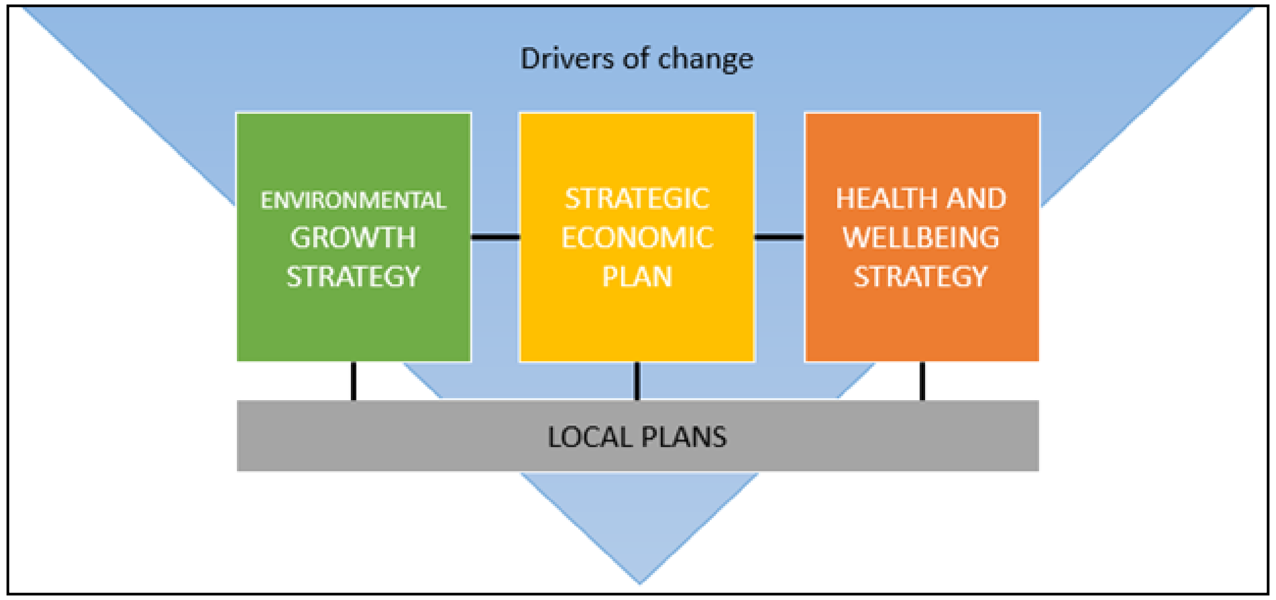


Figure 12: Strategic Economic Plan in context
Source: C&IoS Strategic Economic Plan

3.2.9 These are familiar messages but the Plan recasts the challenges for the Cornish economy as five imperatives:

- harnessing the region’s distinctive assets and characteristics as a basis for sustainable growth
- treating Cornwall’s digital infrastructure and higher education institutions as core economic assets
- attracting private investment because the past scale of public sector investment will not be repeated
- making C&IoS a place where people choose to live and work, and where they can earn enough money to buy a home
- businesses must compete by being excellent.

3.2.10 The long-term vision for Cornwall and the Isles of Scilly is of a region competing "*on a national and international stage*", with success founded on its "*distinctive environmental, cultural and intellectual assets*". In this new economy "*earnings will increase, productivity will rise, exports will improve and business investment will grow*". To achieve this vision the LEP is now focused on four strategic objectives:

- Objective 1: fostering innovation and creativity, particularly in the use of environmental, cultural and locational assets
- Objective 2: to enhance our places and build on their economic distinctiveness
- Objective 3: to raise aspirations and encourage young people to live their lives and careers in C&IoS
- Objective 4: to equip business leaders to compete on the world stage.

3.2.11 Efforts to achieve these objectives will be "galvanised" through three investment programmes for place, business and people (Figure 13).

		Our Strategic Objectives for CIoS			
		To foster innovation and creativity across CIoS, particularly in the use and application of environmental, cultural and locational assets	To enhance our places and build on their economic distinctiveness	To raise aspirations and to encourage more young people to build their careers and their lives in CIoS	To equip our current and future business leaders to compete successfully on a global stage
Our Investment Programmes for Cornwall and the Isles of	INVESTING IN PLACE: Improving our infrastructure and using it better, particularly digital infrastructure				
	INVESTING IN BUSINESS: Enabling excellence among new starts, established businesses and inward investors				
	INVESTING IN PEOPLE: Investing in the skills of our workforce, and building aspirations and confidence				

Figure 13: Refreshed Strategic Economic Plan, 2016
Cornwall & Isles of Scilly LEP

3.2.12 These high-level strategic approaches are complemented by a series of specialised and sectoral studies. The Cornwall & Isles of Scilly Research, Development and Innovation Framework (Amion Consulting, 2015) seeks to address Cornwall's low productivity:

"Innovation enhances productivity, output and the development of new products and processes. It is therefore a key enabling force for economic growth. It is also an important potential contributor to economic transformation, leading to a more knowledge-based and higher value economy. The presence of, and ability to access, research expertise (including through higher education institutions and other research centres) also plays a key role in developing and maintaining a skill base and providing a sustainable innovation 'ecosystem'".

3.2.13 C&IoS has very low levels of business investment in R&D. In 2012, R&D spend was 0.22% of GDP, compared to a national average of 1.63% and an EU average of 2.09%. This is the lowest level of any LEP area. The UK Competitiveness Index ranked C&IoS 34 out for 39. Amion state that:

"The weak innovation and R&D culture…is largely a reflection of the region's economic structure and its geographic peripherality. Critically, the lack RD&I serves to reinforce these economic imbalances".

3.2.14 The report highlights five key factors:

- the predominance of small firms and the lack of large businesses
- low levels of employment in knowledge-intensive sectors
- high-levels of self-employment and lifestyle enterprises
- dependency on local markets
- historic lack of university and research institutions.

3.2.15 Amion identified five markets in which Cornwall has significant physical, knowledge and business assets and where there is global growth potential. These markets will form the basis of a smart specialisation strategy:

- agri-tech
- digital economy
- e-health and e-wellbeing
- marine technology
- space and aerospace.

3.2.16 *The Productivity Framework* commissioned by C&IoS LEP (ERS, 2016) offers another perspective. This report aims to help the LEP “to understand what productivity is and how funded activities can target productivity in the CIoS context”. It notes that aspects of the organising framework for national strategies on productivity and innovation – for example, growth sectors and city regions – are not always easy to reconcile with the realities of a rural economy and peripheral area. This points to alternative routes to high productivity, for example by targeting:

- high-growth firms in all sectors, including traditional industries
- foreign-owned companies
- export-orientated businesses.

3.2.17 *The Cornwall & Isles of Scilly Employment and Skills Strategy*, jointly produced by the LEP and Cornwall Council, has been refreshed to cover the period 2016-2030. Evidence gathered during the preparation of the study develops some of the themes outline above, notably the “critical issue” of very low labour productivity. This is the consequence of an economy dominated by low-wage, low-skill, low-productivity sectors, and the low levels of employment in professional, scientific and technical services and ICT. Higher level and technological skills are in relatively short supply, but they are “vital” to the prospects of success through smart specialisation. Aspirations to achieve growth reflected in higher earnings, productivity, exports and investment mean addressing the reality of high levels of self-employment, temporary and part-time work, and low pay: the authors estimate that 40% of working people in Cornwall have earnings below the low pay threshold.

3.2.18 The LEP sets out a vision for 2030 of “a healthy, skilled and productive workforce with access to rewarding jobs, clear progression pathways and opportunities for all”. The four key objectives of the strategy are to:

- develop a highly skilled workforce for tomorrow
- drive employer and individual investment in skills
- enable people to access and progress in meaningful employment
- enable people to learn about career pathways and be equipped for the world of work.

Summary

3.2.19 This survey has highlighted some of the long-term, structural challenges facing the Cornwall economy. The LEP has commissioned an extensive body of research to improve understanding of the low-wage, low-skill, low-productivity cycle, and to identify the assets and opportunities that point the way towards a more prosperous and sustainable economic future. The Strategic Economic Plan, the Development and Innovation Framework, and Employment and Skills Strategy, together with other policies not reviewed here, provide the platform for action in the years ahead and there is already some evidence of progress on jobs, economic activity and qualifications.

3.2.20 A key task for this study is to examine how the regeneration of Penzance town centre might contribute to this strategic agenda. What role can Penzance play in smart specialisation, and how can the town centre become a hotspot for enterprise, innovation, learning and creativity? How can we encourage more discerning visitors to come to Penzance, stay longer and spend more? How can we attract more people to live in the heart of the historic town, and make it a magnet for skilled workers and creatives?

3.3 Penzance: economy, employment and labour force

3.3.1 The analysis in the following pages is based primarily on the Penzance urban area (PUA) as defined by Cornwall Council. This area comprises three 2011 Mid Layer Super Output Area (MSOAs) and one Lower Layer Super Output Area (LSOA)[1]. This urban area covers Penzance, Newlyn, and the adjoining suburban and rural hinterland, including Long Rock (Figure 14). Our analysis compares the PUA with Cornwall and England.

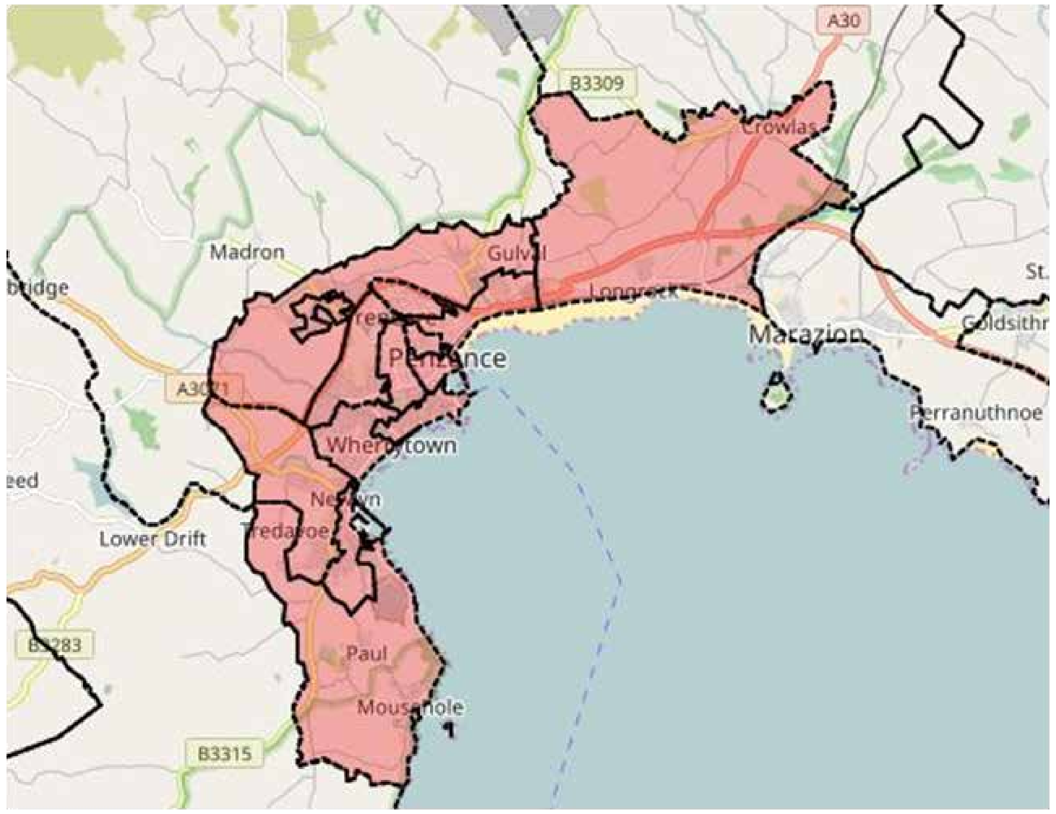


Figure 14: **Penzance urban area**
Source: NOMIS

3.3.2 There were about **9,800 employee jobs** in Penzance in 2015, of which 5,500 (56%) were full-time and 4,300 (44%) were part-time. Figure 15 shows employment, analysed by industry section. The leading employment sectors, accounting in aggregate for 60% of all employment, were retail, health, accommodation and food, and education. This reflects the low-wage, low-skill, low-productivity profile typical of the Cornwall economy.

Industry	Full- time	Part-time	
Agriculture, forestry & fishing (A)			
Mining, quarrying & utilities (B,D, E)			
Manufacturing (C)	260	58	318
Construction (F)	352	37	389
Motor trades (Part G)	205	48	253
Wholesale (Part G)	207	55	262
Retail (Part G)	897	1079	1976
Transport & storage (H)	445	67	512
Accommodation & food (I)	469	786	1255
Information & communication (J)			
Financial & insurance (K)	185	60	245
Property (L)	151	46	197
Professional, scientific & technical (M)	427	137	564
Business administration & support (N)	291	142	433
Public administration & defence (O)	152	50	202
Education (P)	407	723	1130
Health (Q)	755	797	1552
Arts, entertainment, recreation, other (R,S,T,U)	127	169	296
TOTAL	**5506**	**4299**	**9805**

Figure 15: *Employment in Penzance, full-time and part-time, 2015*
Source: BRES, Kraken Research
Note: Some values suppressed for reasons of confidentiality

3.3.3 Figure 16 shows the same data expressed as percentages. The town's 5 leading industry sections are retail (20.2%), health (15.8%), accommodation and food (12.8%)

1 MSOAs: E2003948, E2003949 and E2003951, LSOA: E01018988

and education (11.5%). Some sectors, notably retail, accommodation and food, health and education have a disproportionate share of part-time employment.

Industry	Full- time	Part-time	Total
Agriculture, forestry & fishing (A)			
Mining, quarrying & utilities (B,D, E)			
Manufacturing (C)	4.7	1.3	3.2
Construction (F)	6.4	0.9	4.0
Motor trades (Part G)	3.7	1.1	2.6
Wholesale (Part G)	3.8	1.3	2.7
Retail (Part G)	16.3	25.1	20.2
Transport & storage (H)	8.1	1.6	5.2
Accommodation & food (I)	8.5	18.3	12.8
Information & communication (J)			
Financial & insurance (K)	3.4	1.4	2.5
Property (L)	2.7	1.1	2.0
Professional, scientific & technical (M)	7.8	3.2	5.8
Business administration & support (N)	5.3	3.3	4.4
Public administration & defence (O)	2.8	1.2	2.1
Education (P)	7.4	16.8	11.5
Health (Q)	13.7	18.5	15.8
Arts, entertainment, recreation, other (R,S,T,U)	2.3	3.9	3.0
TOTAL	**100.0**	**100.0**	**100.0**

Figure 16: **Employment in Penzance, % share by industry section, full-time and part-time, 2015**
Source: BRES, Kraken Research
Note: Some values suppressed for reasons of confidentiality

3.3.4 Figure 17 shows the eight leading employment sections in Penzance and compares their share of total employment with the share accounted for by the same industries in Cornwall and England. The town's twin role as a local service centre and a tourist destination is reflected in the dominant role of retail, education, healthcare and food and accommodation. High productivity professional and other services make a modest contribution to local employment in line with the Cornwall average but are significantly under-represented compared with England.

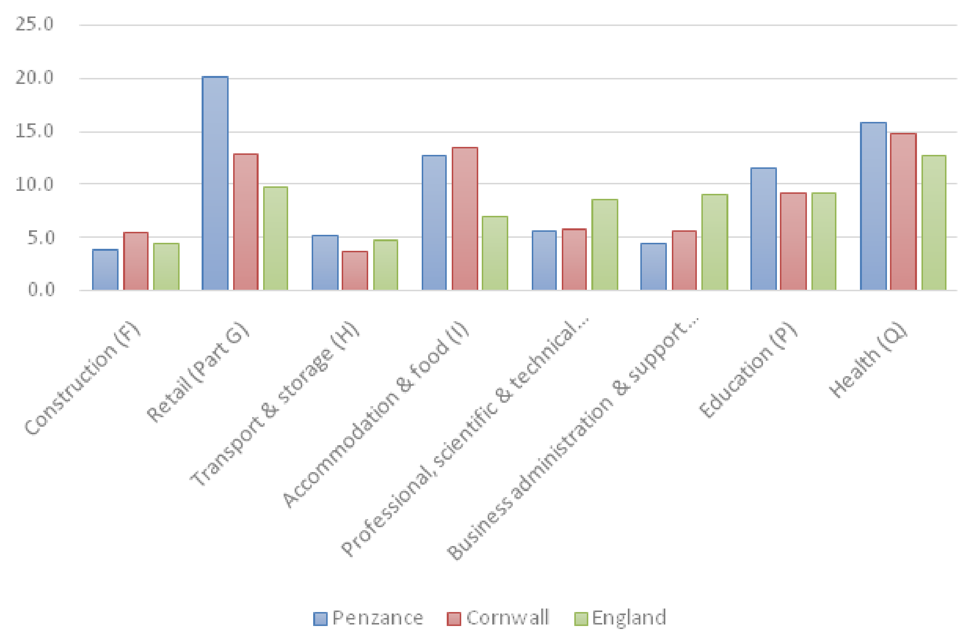


Figure 17: **Percentage share of employment by leading industry sections, Penzance, Cornwall and England, 2015**
Source: BRES, Kraken Research

3.3.5 These findings are also reflected in Figure 18, which expresses the share of employment in leading industry sections in Penzance and Cornwall as location quotients. Location quotients are calculated by dividing the share of local employment in a given industry by its share of national (English) employment. A value in excess of 1 means that an industry is over-represented locally; a value of less than 1 means that it is under-represented.

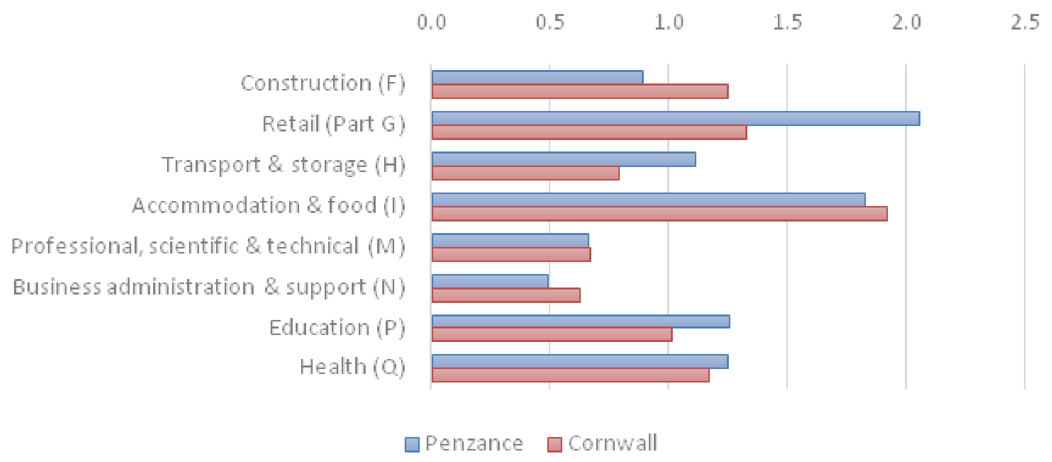


Figure 18: **Location quotients for leading industry sections, Penzance and Cornwall v England, 2015**
Source: BRES, Kraken Research

3.3.6 This profile is consistent with key messages from the study brief and other published sources. The picture of Penzance that emerges is of a low-wage, low-productivity private sector economy, shored up by employment in public services. High productivity, knowledge-based services are under-represented.

3.3.7 The Interdepartmental Business Register (IDBR) identifies **980 business units** in Penzance[2]. Of these, 80% are microbusinesses employing up to 9 people, and 17% are small businesses employing between 10 and 49 people. Only 25 (3%) employ more than 50; there are no large firms employing 250 people or more. Figure 19 and Figure 20 show the share of business units accounted for by leading industry sections. Compared with England, Penzance has a very high proportion of retail and tourism (accommodation and food) businesses, but the service sectors are under-represented.

Industry	Full- time	Part-time	Total
Agriculture, forestry & fishing (A)	4.6	15.6	3.9
Construction (F)	7.7	11.3	10.4
Retail (Part G)	18.9	11.0	9.5
Accommodation & food (I)	14.8	9.9	6.1
Professional, scientific & technical (M)	10.2	9.1	16.5
Business administration (N)	5.6	6.0	8.5
Health (Q)	8.2	5.4	5.7
Arts, entertainment, leisure	6.6	5.8	6.6

Figure 19: **Business units, share by leading industries, Penzance town, Cornwall and England, 2016**
Source: IDBR/Kraken Research

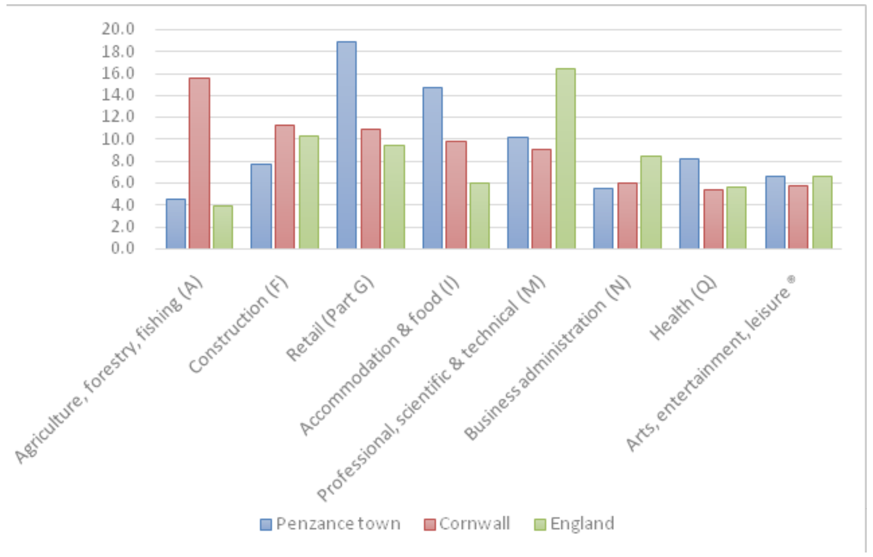


Figure 20: **Business units, share by leading industries, Penzance town, Cornwall and England, 2016**
Source: IDBR/Kraken Research

2 These data are for the three MSOAs that make up Penzance town, as opposed to the Penzance urban area.

3.3.8 One of the most striking features of the Penzance local economy is its very high dependence on part-time jobs. Figure 21 shows that 43.8% of employment in Penzance in 2015 was part-time, compared with 38.5% in Cornwall and just 30.5% in England. Some sectors are highly dependent on part-time work, especially education (64% of all employment), accommodation and food (63%), retail (55%) and health (51%). The consequences of this large part-time labour market will include under-employment, in-work poverty and people working in two or more jobs. These effects will be amplified by the seasonal nature of employment in Penzance, especially in the tourism sector.

	Penzance Urban Area	Cornwall	England
Construction (F)	9.5	10.6	11.5
Retail (Part G)	54.6	51.0	52.8
Transport & storage (H)	13.1	20.8	15.8
Accommodation & food (I)	62.6	56.5	55.5
Professional, scientific & technical (M)	24.4	23.4	17.4
Business administration & support (N)	32.7	46.1	32.7
Education (P)	64.0	59.4	45.5
Health (Q)	51.3	47.2	42.2
Total employment	43.8	38.5	30.5

Figure 21: **Part-time employment as a % of all employment, leading industry sections, Penzance, Cornwall and England, 2015**

BRES, Kraken Research

3.3.9 These data understate the level of employment in Penzance because they do not include the self-employed who are an important group in Cornwall. The 2011 Census (which analyses employment by place of residence rather than place of work) showed that 24% of all employed residents of the Penzance urban area were self-employed, compared with 16% in England.

3.3.10 Nevertheless, even when self-employment is included, the level of economic activity in Penzance (62.6%) is significantly lower than the average for Cornwall (66.8%) and England (69.9%). The gap is accounted for largely for by the number of Penzance and Cornwall residents who are retired. This is reflected in the age structure of the local population (discussed below). Indeed, the percentage of residents in all forms of employment is low: 56.1% in Penzance compared with 60.7% in Cornwall and 62.1% in England.

3.3.11 The Census also highlights the level of under-employment in Penzance: the ratio of full-time to part-time employment in England is 2.8:1, compared with 2.1:1 in Cornwall and just 1.6:1 in Penzance. (See Figure 22: all data based on place of residence, not place of work).

	Penzance Urban Area			Cornwall			England		
Economically Active	**Male**	**Female**	**All**	**Male**	**Female**	**All**	**Male**	**Female**	**All**
In part-time employment	9.4	23.2	16.5	6.8	23.6	15.4	6.1	21.2	13.7
In full-time employment	32.7	19.9	26.1	39.9	23.9	31.7	46.8	30.6	38.6
Self-employed	18.8	8.5	13.5	19.0	8.6	13.6	13.9	5.7	9.8
Unemployed	5.1	2.9	4.0	3.9	2.6	3.3	5.3	3.5	4.4
Full-time student	2.0	3.0	2.5	2.4	3.1	2.8	3.2	3.7	3.4
Total economically active	*68.0*	*57.5*	*62.6*	*72.0*	*61.8*	*66.8*	*75.3*	*64.7*	*69.9*
Economically Inactive									
Retired	17.9	22.7	20.4	16.5	21.2	18.9	11.8	15.6	13.7
Student	3.6	3.4	3.5	4.4	4.2	4.3	6.0	5.6	5.8
Looking after home or family	1.2	7.7	4.5	0.9	6.9	4.0	0.8	7.8	4.4
Long-term sick or disabled	7.3	6.3	6.8	4.7	4.1	4.4	4.3	3.8	4.0
Other	2.0	2.4	2.2	1.6	1.8	1.7	2.0	2.4	2.2
Total economically in active	*32.0*	*42.5*	*37.4*	*28.1*	*38.2*	*33.3*	*24.9*	*35.2*	*30.1*

Figure 22: **Economic activity and inactivity, working age population, Penzance, Cornwall, England 2011**

Source: Census/Kraken Research

3.3.12 Figure 23 analyses economic activity and inactivity in graphic form, comparing Penzance with Cornwall and England. The chart shows that Penzance has above average levels of part-time employment, self-employment as well retired and long-term sick residents. There is a big gap in full-time employment (38.6% of the working age population of England, but only 26.1% in Penzance).

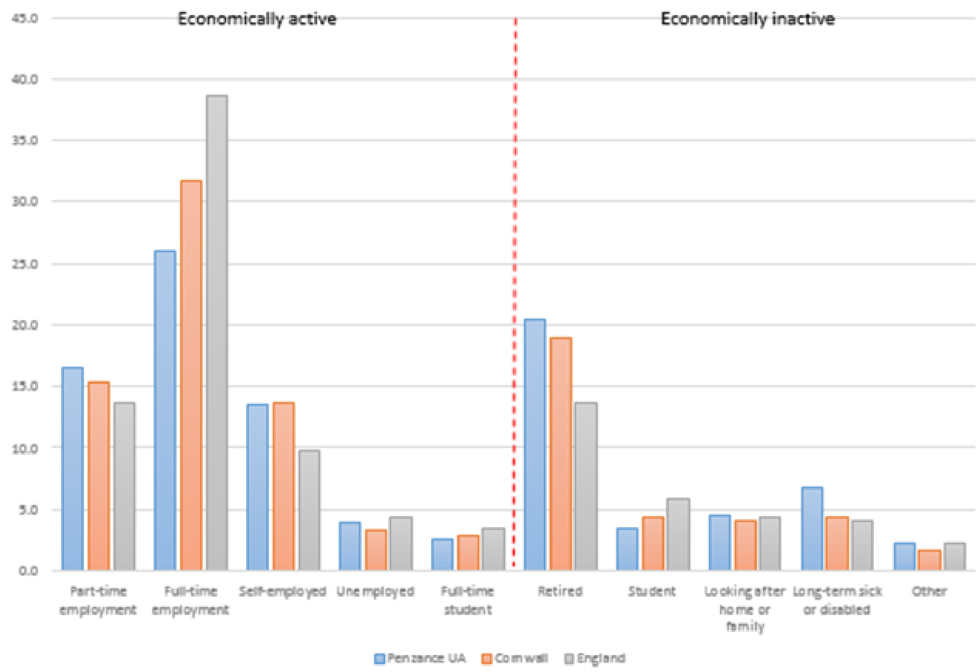


Figure 23: **Economic activity and inactivity, working age population, Penzance, Cornwall, England 2011**
Source: Census/Kraken Research

3.3.13 Despite the time-lag, the 2011 Census data corroborate the 2015 employment data and offers some additional insights. The population of the Penzance urban area was 22,500 in 2011 (Figure 24). Figure 25 and Figure 26 show the breakdown of the population of Penzance, Cornwall and England by age. The age profiles of Penzance and Cornwall are broadly similar: compared to England both have fewer children, young people and adults under 45, but a significantly higher proportion of people aged 60 and over (Penzance 32.3%, Cornwall 29.6%, England 22.4%).

Unit	Ref	Description	No
MSOA	E2003949	Town centre/ inner areas	6,668
MSOA	E2003951	South inc Newlyn	6,112
MSOA	E2003948	North inc Treneere, Heamoor	8,265
LSOA	E01018988	Longrock and rural areas	1,537
		Penzance UA total	**22,582**

Figure 24: **Population of Penzance urban area, 2011**
Source: Census/Kraken Research

Age	Penzance UA	Cornwall	England
Age 0-15	16.0	16.8	18.9
Age 16-24	9.1	10.1	11.9
Age 25-44	21.8	22.6	27.5
Age 45-59	20.8	20.8	19.4
Age 60-74	20.4	19.6	14.6
Age 75+	11.9	10.0	7.8

Figure 25: **Population of Penzance, Cornwall and England, % by age, 2011**
Source: Census/Kraken Research

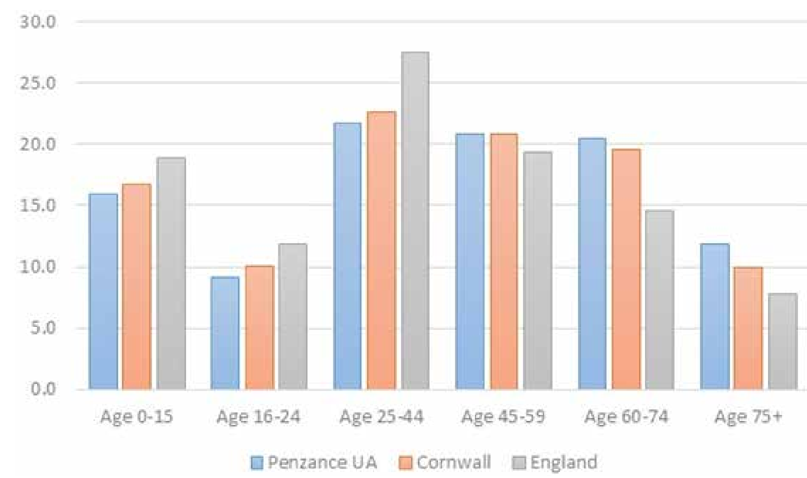


Figure 26: **Population of Penzance, Cornwall and England, % by age, 2011**
Source: Census/Kraken Research

Highest qualification	Penzance	Cornwall	England
None	24.1	22.4	22.5
Level 1	13.3	13.4	13.3
Level 2	17.4	17.4	15.2
Apprenticeship	4.2	4.5	3.6
Level 3	11.8	13.1	12.4
Level 4 and above	24.6	25.0	27.4
Other	4.6	4.2	5.7

Figure 27: **Highest educational qualification (%) – Penzance, Cornwall and England, 2011**

Source: Census/Kraken Research

Industry	Penzance	Cornwall	England
A Agriculture, forestry and fishing	2.6	3.0	0.8
B Mining and quarrying	0.2	0.7	0.2
C Manufacturing	4.5	7.9	8.8
D Electricity, gas etc	0.3	0.4	0.6
E Water and sewerage	0.7	0.8	0.7
F Construction	8.2	9.0	7.7
G Wholesale, retail trade, motor vehicles	18.8	16.8	15.9
H Transport and storage	5.2	3.7	5.0
I Accommodation and food	10.5	9.2	5.6
J Information and communication	1.9	1.7	4.1
K Financial and insurance activities	1.6	1.5	4.4
L Real estate activities	1.6	1.4	1.5
M Professional, scientific, technical	4.8	4.7	6.7
N Administrative and support	4.1	4.3	4.9
O Public administration, defence	4.2	6.3	5.9
P Education	9.9	9.7	9.9
Q Human health and social work	14.1	13.5	12.4
R, S, T, U Other	6.7	5.3	5.0

Figure 28: **Employment by industry, Penzance, Cornwall and England, 2011**

Source: Census/Kraken Research

3.3.14 We might expect the ageing population of Penzance to be reflected in low levels of educational and other qualifications but, as the LEP has reported, the gap has closed in recent years. Compared with England, a slightly higher proportion of local residents have no qualifications, and there are fewer people with degrees or higher (Figure 27). But the gap is not great, which is encouraging given the large numbers of residents aged 60 and over, because older people generally have fewer formal educational qualifications.

3.3.15 The Census provides an analysis of employment by industry. This is a resident-base measure so the jobs recorded are not necessarily in the local area. However, the results are broadly consistent with the 2016 BRES data. Compared with England, Penzance residents are more likely to work in the food and accommodation sector, in wholesale, retail and motor trades, in education and in health. They are less likely to be employed in business and professional services (Figure 28).

3.3.16 Figure 29 analyses employment by occupation. It shows that, compared with England, Penzance residents are less likely to work in managerial, professional or associate jobs – 34.3% compared with 41.2% - but more likely to work in skilled trades, caring and leisure occupations or sales.

Occupation	Penzance	Cornwall	England
1. Managers, directors, senior officials	10.8	11.4	10.9
2.Professionals	12.5	13.8	17.5
3. Associate professional/ technical	11.0	10.4	12.8
4. Administrative & secretarial	8.5	9.5	11.5
5. Skilled trades	15.6	17.0	11.4
6. Caring, leisure, other service	12.2	10.6	9.3
7. Sales and customer service	10.3	8.2	8.4
8. Process plant and machine operatives	6.3	7.1	7.2
9. Elementary occupations	12.8	12.0	11.1

Figure 29: **Employment by occupational level, Penzance, Cornwall and England, 2011**

Source: Census/Kraken Research

Summary

3.3.17 This analysis suggests that Penzance reflects all the socio-economic challenges facing Cornwall but in a relatively acute form. Local employment is dominated by low-wage sectors (retail, tourism, healthcare), while high-wage, high-productivity service sectors are under-represented. The economic activity rate is low, despite above-average levels of self-employment, and the level of part-time employment is exceptionally high; the latter contributes to under-employment and in-work poverty. The town has an elderly population, with 32.3% aged 60 and above, compared with 22.4% in England.

3.3.18 These conditions are the product of systemic, structural factors which cannot be switched off overnight. It will take a concerted effort over many years to achieve a significant shift in the economy and demography of Penzance. This study will explore the ways in which the regeneration of the town centre might contribute to this change, for example, by creating dedicated workspace for creative and tech businesses, attracting more skilled working-age people to live in the town, and raising the quality and value of the retail, cultural and tourism offer.

3.4 Penzance: policy, partnership initiatives and research

3.4.1 The Cornwall Local Plan Strategic Policies 2010-2030 document (Cornwall LP:SP) was adopted in November 2016. In Penzance economy, the Cornwall LP:SP highlights the need to make provision for developments with a maritime/ marine focus and for the creative industries. The document also notes Penzance & Newlyn's distinguished arts heritage. The document sets a target of 2,150 new homes in Penzance and Newlyn, and aims to support the provision of 16,000 m² office accommodation (B1a) and the same amount of industrial space (B1c, B2, B8).

3.4.2 A more detailed statement of aspirations and opportunities is contained in the Cornwall Site Allocations Development Plan Document (DPD, September 2016) which devotes a chapter to Penzance and Newlyn. The document sets out 11 strategic aims (Figure 30) for the urban area.

3.4.3 The DPD sets out a strategic case based on the primary aims of strengthening Penzance town centre and reconnecting both Penzance and Newlyn to their waterfronts. It enumerates the area's "economic and natural assets" which include:

- the harbours
- the outstanding natural and marine environment
- the role of the Penzance as the retail and service centre for a significant catchment area, and as a transport hub.

3.4.4 The report highlights challenges for Penzance including:

- rationalisation and upgrading of harbour facilities
- reconnecting the town centre to the waterfront by redeveloping key sites
- securing additional investment in the town centre to diversify the mix of uses and provide quality workspace
- providing start-up and grow-on workspace for established firms and microbusinesses
- improving the tourism offer
- delivering new homes on brownfield, urban and greenfield sites enhancing the town's social, learning, transport and green infrastructure.

***Figure 30:* Strategic aims for Penzance and Newlyn**
Source: Cornwall Council, DPD

3.4.5 As well as these spatial priorities (waterfront, town centre and the connections between) the document identifies opportunities for economic growth based on traditional strengths including the creative industries and entrepreneurship. As far as the former is concerned, the DPD makes the case for studio/workshop/ gallery spaces at key town centre locations where they would complement the retail and tourism offer.

3.4.6 Sites in Penzance which have the potential to deliver economic development are shown in Figure 31.

Site	Development potential
PZ-M1 Harbour Car Park	Office space as part of a mixed use development, creating an improved connection between the town centre and the waterfront.
PZ-M2 Coinagehall Street	Mixed use development with improved public realm to create a waterfront destination. Site owned by Cornwall Council which is seeking a development partner.
PZ-H9 St Clare	Employment uses in grade II listed York House linked to residential development.
PZ-M3 Wherry Town	Mixed use (employment, residential, leisure).

Figure 31: **Economic development sites in Penzance**
Source: Cornwall Council, DPD

3.4.7 The quality, status and vitality of the town centre retail core has suffered in recent years and the DPD argues that the town centre needs to adapt and diversify. Priorities for action include:

- improving streetscapes and the public realm
- introducing high quality workspace and complementary leisure uses
- marketing and events
- creating new retail space in or adjacent to the town centre.

3.4.8 There is no discussion of the demand for new retail space, but the DPD argues that physical and ownership constraints mean that the new retail development may need to be on the Harbour Car Park site (PZ-M1) as part of a mixed use development.

3.4.9 The Penzance Coastal Community Team has developed a draft Economic Plan for Penzance, which is based on the following aims and objectives:

- creating a value-added visitor economy based on marine leisure and the creative arts
- building on Penzance's competitive advantage in the digital, creative and food industries
- creating a skilled workforce and reducing the pay gap
- offering a future for young people
- providing homes to improve wellbeing and foster community cohesion
- becoming a healthier, less deprived town
- an inclusive community with opportunities for all.

3.4.10 The Economic Plan includes a SWOT analysis which is shown in Figure 32.

Strengths	Weaknesses
Unique maritime location Artistic and cultural heritage High quality built heritage Superfast broadband Strong partnership Community support	Geographically remote Low skills base Under-investment in infrastructure and amenities High business failure rate
Opportunities	**Threats**
Town brand Developing a skilled workforce Value-added economy - Creative and digital - Local food - Maritime leisure Healthier, more prosperous community	Retail parks in Hayle Lack of funds for investment Changing government/EU strategies for Cornwall Lack of coastal defences deters investors

Figure 32: **Penzance SWOT analysis**
Source: Penzance Coastal Community Team

3.4.11 The plan notes key initiatives identified by the team, which are in varying stages of development. Priorities of particular relevance to our brief are noted in Figure 33.

Project	Description
Arrival plan	Creating a sense of arrival on the approach to Mounts Bay, through signage and environmental improvements.
Shared space/ public realm	Improving the public realm and calming traffic to achieve pedestrian and cyclist-friendly streets.
Penzance and Newlyn harbours	Investment in infrastructure and new facilities.
Coinagehall	Development of key regeneration site to create workspace, homes and visitor accommodation.
Market Jew Street	Reshaping the high street through development and diversification.
Humphry Davy Quarter	Repurposing the Market House as a social enterprise and civic hub.
Jubilee Pool	Complete restoration.
Heritage	Capitalise on cultural and built heritage and grow creative industries.
Training and skills	Partner with FE/HE institutions to develop skills initiatives aligned with key sectors.

Figure 33: **Penzance key projects and initiatives**

Source: Penzance Coastal Community Team

3.4.12 The Penzance Business Improvement District (BID) was launched in 2015 following a ballot of town centre businesses. The BID's mission is to improve the trading environment for town centre enterprises, and its first business plan (2015-20) provides a useful insight into the perceived priorities of local traders. The programme is summarised in Figure 34, which shows the BID's A- and B-rated priorities.

3.4.13 Although Penzance town centre continues to face significant challenges, the 2005-2099 Townscape Heritage Initiative (THI) improved the condition of the historic fabric and "stimulated a readily identifiable increase in a sense of pride in the town centre and its buildings". The outcomes of the THI are documented in a final report, commissioned by Cornwall Council and published in 2010. For a total investment (public and private) of £4.6 million, 25 buildings (13 listed) were restored and a major public realm scheme was implemented in the commercial core. 1430 m² of floor space was returned to commercial use, 150 SMEs were assisted, creating and safeguarding jobs and sales revenue.

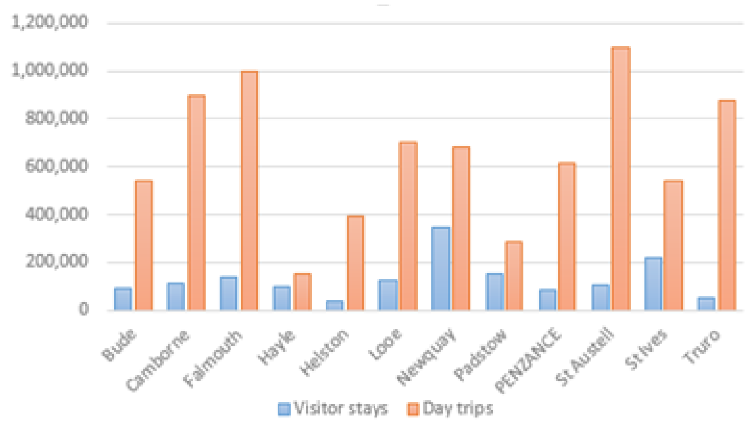
Events & Marketing	Physical improvements
Year-round events programme Themed local trails Marketing marine sports Collaborations with travel operators Love Penzance website PZ App Visitor guides and maps	Work with landlords to fill empty units External makeovers for empty units Promotional packs for business premises Pop-up shops Create "dwell spaces" at key town centre sites Branding for signage /street furniture
Parking and access	**Security and business support**
Pay on exit charging at Harbour car park Flexible parking rates Guides and maps for visitors Coordinated signage for streets, walking and cycling routes Town centre visitor information	Increase police presence at key times Expand Storenet usage Explore relocatable CCTV Starter packs for new businesses Quarterly networking meetings Cardboard collection service

Figure 34: **Penzance Business Improvement District: themes and priorities, 2015**

Source: BID Business Plan

3.4.14 A report on Cornwall Towns: Tourism Volume and Value Estimates (2012) by the South West Research Company estimates that, in 2012, Penzance attracted 88,000 staying visitors and 618,000 day visits, generating £43.7m of visitor related expenditure and supporting 1,400 jobs.

3.4.15 Figure 35 shows visitor stays and day visits to 12 Cornish towns, including Penzance, in 2012. Penzance ranks 10th for staying visitors and 7th for day visits. The “conversion rate” of day visits into visitor stays is a good indicator of the value of local tourism: Newquay and St Ives and (on a smaller scale) Padstow and Hayle perform well on this measure. In Penzance, the ratio of day trips to staying visitors is about 7:1, similar to Falmouth and Camborne.



Town	Visitor stays	Day trips
Bude	91,000	543,000
Camborne	116,000	897,000
Falmouth	142,000	1,000,000
Hayle	96,000	155,000
Helston	37,000	397,000
Looe	128,000	700,000
Newquay	346,000	680,000
Padstow	155,000	289,000
PENZANCE	**88,000**	**618,000**
St Austell	104,000	1,100,000
St Ives	217,000	540,000
Truro	52,000	873,000

Figure 35: **Visitor stays and day visits, Cornish towns, 2012**
Source: South West Research Company/Kraken Research

3.4.16 Figure 36 shows the estimated value of visitor expenditure in each of the towns and the level of employment generated by tourism. Penzance is ranked 9th for expenditure and 8th for jobs, and it lags well behind the leaders in each category, Newquay, St Ives and Falmouth.

Town	Spend (£m)	Jobs
Bude	43.4	1,200
Camborne	56.2	1,600
Falmouth	78.6	2,100
Hayle	30.5	950
Helston	24.3	680
Looe	65.3	2,100
Newquay	125.9	3,800
Padstow	60.8	1,600
PENZANCE	**43.7**	**1,400**
St Austell	61.1	1,700
St Ives	86.8	2,850
Truro	44.6	1,200

Figure 36: **Visitor expenditure and tourism-related employment, Cornish towns, 2012**
Source: South West Research Company/Kraken Research

Summary

3.4.17 The documents reviewed here aim to bridge the gap between strategic aspirations for Cornwall and the specific opportunities and challenges facing Penzance:

- the strategic aims set out in Local Plan and the DPD provide an important, aspirational framework for our study as well as policy guidance on key town centre and edge-of-centre sites
- the Coastal Community Team has identified an issues agenda which is consistent with the analysis in this paper and a useful, if somewhat generic, SWOT analysis; the CCT's economic plan includes a checklist of town centre and other initiatives
- the BID business plan highlights practical actions around themes including events, physical improvement, parking, security and business support
- comparative research on the main Cornwall towns highlights the small number of overnight visitors as a major challenge for Penzance.

3.5 Retail: trends and local conditions

3.5.1 This study has been commissioned against the background of perceived decline in the condition, status and commercial viability of Penzance town centre. This decline manifests itself in retail vacancies, gap sites, vacant and under-used civic buildings and buildings in disrepair. These concerns are, of course, not unique to Penzance but can be seen as evidence of the “crisis on the high street” that has preoccupied policy makers and communities for a decade and more.

3.5.2 The causes of that decline are easy to identify but hard to address, and they reflect a combination of trends that have been unfolding for decades. Unprecedented mobility and choice have loosened the ties between communities and their town centres. In the mid-20th century heyday of traditional town centres people lived “local lives” with shopping and entertainment close to home, typically accessed on foot, by bike or by bus. The range of consumer choice was much more limited, new models of out-of-town retail and leisure were only just beginning to appear and the internet had not been thought of. In the absence of alternatives, and except for special occasions, town centres could reliably depend on the loyalty of local residents.

3.5.3 People now live their lives in a larger space than ever before, moving between their homes and the places where they work, learn and spend leisure time, which are often separated by considerable distances. Town centres can no longer count on local loyalty and the people have been voting with their feet: internet expenditure continues to show double-digit growth, people value the convenience of edge-of-town retail parks, regional shopping and leisure centres have become destinations in their own right, and the major cities offer a rich and diverse experience that smaller places cannot match. Increasingly, traditional town centres have come to depend for their custom on people on low incomes, the elderly and the disadvantaged. The geography of Cornwall and the lack of large urban centres may have protected towns like Penzance from some of the effects of structural change, but it has not been immune. In the local context, Truro stands high above the other towns in the retail hierarchy.

3.5.4 We tend to be most aware of the impact on the retail sector, but the implications for civic, commercial and leisure services have been equally significant. Front-line council services, banks, travel agents, solicitors and many others now conduct many transactions online, while changing leisure patterns have resulted in the closure of pubs, clubs and music venues across the country.

3.5.5 Looking around for someone to blame for these changes is pointless. The relative decline of town centres is a direct consequence of the way we live in the early years of the 21st century, and small and medium-sized towns are particularly vulnerable. It is not “someone’s fault”, but it is still a matter for regret for many that the role of town centres as “central places” in the life of communities has been undermined. Typically, the effects include a surplus of retail space and civic buildings and a decline in local service centre functions. A cycle of fragile demand, low property values, under-investment and high vacancy rates is reflected in the poor physical condition of many buildings, some of them of high architectural importance. The public realm becomes tired and dated.

3.5.6 The lesson from all this is not a counsel of despair, but it is a sharp reminder that a return to the way things used to be is not an option. Town centres can rediscover their sense of purpose and vitality, but not by returning to the 1950s. Trends do not continue for ever, and it is possible that some businesses which have left the high street will return. As an example, the large supermarket chains have been abandoning plans for more large stores in out-of-town locations and ramping up their investment in small format high street shops. But the loss of a long-established brand like Dorothy Perkins is further evidence that the flight to prime locations has not yet run its course. Equally, the relentless rise in online retail and service transactions shows no sign of slowing (Figure 37).

3.5.7 The Cornwall Retail Study (GVA Grimley, 2010; updated GVA Bilfinger, 2015) states that Penzance’s strategic transport connections give the town a significance out of proportion to its modest size. It is one of Cornwall’s strategic retail centres, but Truro’s dominant position means that Penzance is a second tier centre in the region’s urban hierarchy (Figure 38).

Region	Total stores 2012	Total Stores 2018	Decrease (%)
Wales	14,500	10,349	29%
North West	24,100	17,255	28%
East Midlands	20,950	15,294	27%
Yorks & Humberside	22,638	16,780	26%
North East	37,000	27,723	25%
West Midlands	24,400	18,384	25%
Scotland	24,885	19,050	23%
South West	23,660	18,150	23%
The East	23,600	18,484	22%
South East	39,197	34,055	13%
Total	281,930	220,000	22%

Figure 37: **Predicted store closures 2012-2018, UK nations and regions**

Source: Centre for Retail Research, Retail Futures 2018

City/ town centre	Total floorspace (sqm)	VenueScore Ranking 2010
Truro	76,984	147
Penzance	45,885	373
Newquay	39,874	558
St Austell	37,586	481
Falmouth	37,068	366
Camborne	31,020	650
Helston	27,323	868
Redruth	22,919	1,247
Bodmin	22,120	747
Bude	21,033	1,452
St Ives	17,503	1,247
Launceston	15,701	1,192

Figure 38: **Retail hierarchy, Cornwall, 2010**

Source: GVA Grimley, GOAD, VenueScore

3.5.8 Truro's dominant status is reflected in retail rentals. Zone A rents in Truro are more than twice the levels achieved in the other principal towns, including Penzance. Figure 39 charts trends between 1999 and 2009.

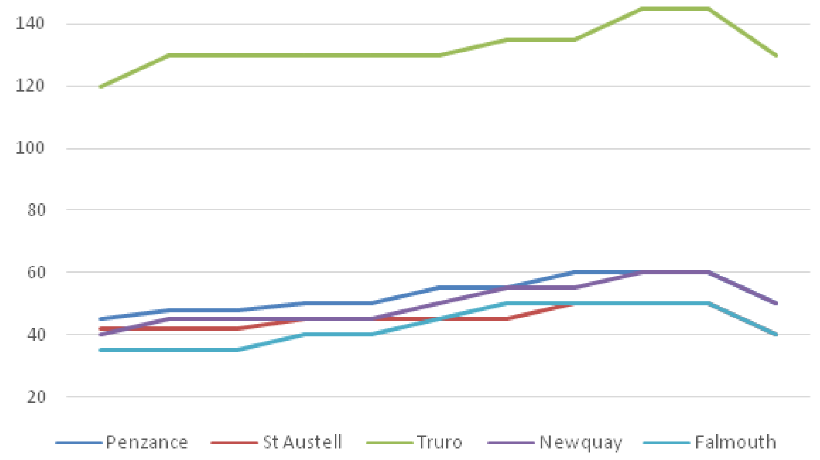


Figure 39: Zone A retail rentals, Cornwall town centres, 1999-2009 (£/sq m)

Source: GVA Grimley, GOAD, VenueScore

3.5.9 The 2010 report identified capacity in Penzance for a modest amount of new convenience goods floorspace and a more substantial amount of comparison goods floorspace, but the 2015 update found that this surplus capacity had been eliminated, at least in the short- to medium-term, by the new Sainsbury's store in Penzance and ASDA in Hayle. The revised comparison shopping estimates reflect lower than expected growth in consumer expenditure, a decline in retail turnover and a reduction in the number of current retailer commitments. The report acknowledged that development of a town centre site could increase Penzance's market share in the comparison sector but that, equally, retail proposals for Marsh Lane, Hayle could have a significant impact on the viability of such a scheme. Two schemes in Hayle have now been approved by Cornwall Council.

Summary

3.5.10 The issue for this study is easily stated. Throughout the UK there is a surplus of retail space in high streets and other locations. This is the result of the combined effects of competition from out-of-town locations, the rapid increase in internet shopping, and the consolidation of highly-regarded retail chains in a smaller number of prime locations. Of course, none of this precludes new retail-led development in town centres but it means that market conditions – especially in small towns like Penzance – are very challenging.

3.5.11 Penzance is something of a special case because of Cornwall's popularity as a visitor destination. Tourist expenditure helps to support speciality retail, food, leisure and culture at a level which would not be sustainable in other towns of comparable size. But this needs to be balanced against Penzance's relatively poor tourism performance compared with other towns in Cornwall and, in particular, the low conversion rate of day visits into overnight stays. Retail investment will undoubtedly be an important part of the town centre strategy, but we need to be prudent and realistic. During the course of the study we will develop a more fine-grained analysis of the Penzance property market which will underpin proposals for rebalancing the town centre, based on robust evidence of demand.

3.6 Conclusion

3.6.1 This report has highlighted the fragility of the Cornwall economy, reflected in "*the well-rehearsed…narrative*" of a region characterised by low skills, low wages, under-employment, and low levels of productivity and innovation. The problems are systemic and persistent, but the LEP and others have drawn on extensive research to identify areas of opportunity based on Cornwall's environmental and cultural assets, as well as islands of excellence and innovation in key sectors. They set out proposals for nurturing smart specialisation, and the study will seek to identify opportunities for Penzance town centre to become a preferred location for businesses and entrepreneurs in these industries.

3.6.2 We have examined the economy of the Penzance urban area (PUA) in some detail, drawing on the latest BRES and IDBR data as well as evidence from the 2011 Census. The results are challenging and they suggest that, in some respects, Penzance is less competitive than even the under-performing Cornwall economy. Whether defined by employment or business units, the local economy is biased towards low-wage, low-productivity sectors such as retail, tourism and healthcare. 44% of all jobs are part-time, contributing to under-employment and in-work poverty. The high productivity sectors identified in the Strategic Economic Plan are under-represented.

3.6.3 The Cornwall Local Plan and the DPD address these issues, as well as highlighting local priorities such as maritime/marine industries and the creative economy. They also identify strategic locations in and around the town centre, some of which were highlighted in the clients' brief. There is encouraging evidence of community-led responses to the challenges facing Penzance, including the menu of projects and initiatives identified by the Coastal Community Team, and the successful campaign to form a Business Improvement District (BID) with a business plan based on practical, bottom-up initiatives.plus the positive work done by the Penzance Regeneration Partnership (PRP) and the Place Shaping Group led by Cornwall Council. and the PRP.

3.6.4 Finally, we have reviewed the challenges facing all traditional town centres, especially in the retail sector. The most recent study suggests that there is unlikely to be any surplus capacity in Penzance in the short- to medium-term, and new developments in Hayle are in the pipeline. The spatial strategy needs to be founded on credible development propositions, but we cannot assume that these will necessarily be retail-led. The clients' brief recognises this when it calls for proposals to diversify the town centre offer through residential and office development, and other uses which might include incubator space for start-ups, artists' studios, cultural and tourism attractions.

3.6.5 This challenge now is to apply the lessons of the research, and to develop a strategy which:

- shows how the regeneration of Penzance will contribute to the growth and competitiveness of the Cornwall economy, especially through smart specialisation, innovation and increased productivity
- responds to the unique opportunities and challenges of Penzance town centre and to the priorities of local people, businesses and organisations
- is founded on realistic and deliverable development propositions that will diversify the town centre offer and align it with the needs and expectations of high-performance businesses, knowledge workers and discerning visitors.


MORRAB

4.0 | MARKET APPRAISAL BASELINE

4.0

4.0

4.0 Market Appraisal baseline

4.1 Residential Market Review

4.1.1 On a national level, surveys such as the RICS Residential Market Survey, Halifax house price index and Nationwide house price index reports conclude that residential stock levels remain low, the market within London and the south-east is seeing a drop in demand and prices and that the south-west is one of the better performing areas within the UK. Nationally more subdued sales trends are being reported across most regions.

4.1.2 We set out below Land Registry indices (average prices, percentage annual change and sales volumes for Cornwall) for the period September 2016 to September 2017.

Month	Average Price	Annual Change	Sales Volume
September 2016	209,453	0.01%	900
October 2016	£210,603	-0.04%	897
November 2016	£211,836	0.04%	913
December 2016	£212,915	-0.02%	1,074
January 2017	£213,576	1.40%	704
February 2017	£214,306	2.39%	766
March 2017	£215,259	1.01%	908
April 2017	£215,873	1.69%	818
May 2017	£214,604	1.24%	784
June 2017	£217,104	5.53%	841
July 2017	£219,393	5.72%	744
August 2017	£222,060	6.02%	Not available
September 2017	£222,512	5.65%	Not available

4.1.3 Overall sales volumes have been less volatile over the last 12 months compared with the previous 12 month period (to July 2016) where there are a number of peaks and troughs in advance of and following the change to stamp duty and the EU referendum result. Overall volumes are however lower commensurate with reduced stock levels and the wider trends within the national market. Nonetheless for the year to September 2017 there has been a 5.65 % increase in overall sales prices within Cornwall.

4.1.4 In general terms Penzance is no exception to the general trend with comparatively low stock levels. To put the market into context, 36 flats were sold in Penzance within the last year (89 within the last 2 years). This level of sales is in part due to the fact that there have not been many new build schemes but nonetheless the level of apartment sales is comparatively small.

4.1.5 This compares with overall sales (all unit types) within Penzance over the last year of 246 units. Looking across a wider area 207 flats sold within West Cornwall (15 mile radius of Penzance - excludes Falmouth and Truro) within the last year.

4.1.6 Overall there is potential within the market for a higher density apartment/flat led in town residential development. It is considered that Penzance will have appeal within the wider West Cornwall market for an appropriate quality development. Nonetheless any development will require careful phasing so that the progress of the development is appropriate for future prevailing market conditions.

4.1.7 The residential rental sector is reasonably active in Penzance and again it is considered that there would be demand for an apartment/flat led development on a rental basis. Again similar comments apply in respect of careful phasing tied to future prevailing market conditions/demand.

4.2 Industrial/Warehouse Market

4.2.1 Penzance is generally perceived as having a reasonably strong industrial/warehouse market within the West Cornwall area. However much of the demand and activity is biased towards Long Rock industrial estate on the eastern periphery of the town which is outside the scope of the Spatial Strategy. The industrial/warehouse offer within the town centre area is much more limited and demand is more sporadic typically due to access, parking and quality of buildings.

4.3 Office Market

4.3.1 Office provision within Penzance is characterised by dated accommodation within converted period buildings and accommodation above retail units. Typically such provision falls below modern standards (in terms of layout, energy efficiency and equality act compliance) and overall falls below the provision within many other conurbations within Cornwall where either in town or out of town office development has taken place over the last 10 years. Demand is not always immediately apparent, and this is in part due to limited availability of reasonable quality accommodation which creates interest from prospective occupiers. Experience suggests within the wider Cornwall market that where appropriate quality accommodation is provided enquiries naturally increase as a consequence.

4.3.2 It should be noted that there is currently a level of office accommodation available within the town centre, but as a general comment the attributes of this accommodation in many cases do not meet market requirements/demand.

4.4 Retail Market

4.4.1 The Penzance retail market was significantly affected by the of 2008/2009 financial crisis and resultant economic slowdown which resulted in reduced demand and increased vacancy rates over many years. Rental levels reduced as a consequence (in some cases up to 30/40%) although there is now evidence of a more balanced position and some modest improvement depending upon location. The level of retail floor space within Penzance relative to population is above-average within Cornwall. Whilst Penzance continues to attract some national retailers the retail market is nonetheless lacklustre and can be sporadic.

4.4.2 However, Penzance has a number of unique characteristics and has developed some speciality shopping quarters characterised by good quality independent traders. Nonetheless having regard to the brief of the Spatial Strategy, opportunities remain limited within the wider market to provide greater retail accommodation within any development proposals.

4.5 Other/Specialist Markets

4.5.1 Penzance has a developing arts sector which would appear to be under-represented in terms of property provision. This is demonstrated by Krowji (successful arts studio and related development in Redruth) expressing interest in the town as a location for further arts and related studio accommodation development.

4.5.2 Commercial property market statistics to demonstrate such demand are limited, however given general demand for arts and related studio accommodation within other West Cornwall town’s (Redruth and St Ives which are very diverse in nature) this sector presents a significant potential opportunity for Penzance to enhance its offer in this respect. Further specialist research is required with operators to refine the nature of the expected demand.

4.6 General comments

4.6.1 Statistics in respect of the residential market are sourced from Land Registry and Rightmove.

4.6.2 Figure 40 shows the available property for sale in February 2017 and Figure 41 shows the active planning applications within the town centre in February 2017. Whilst this is not a static situation, it does show that there is an active and moving market which has continually changed through the course of this study. This is a positive situtation but the issue of low values and limited appropriate employment space is an issue.

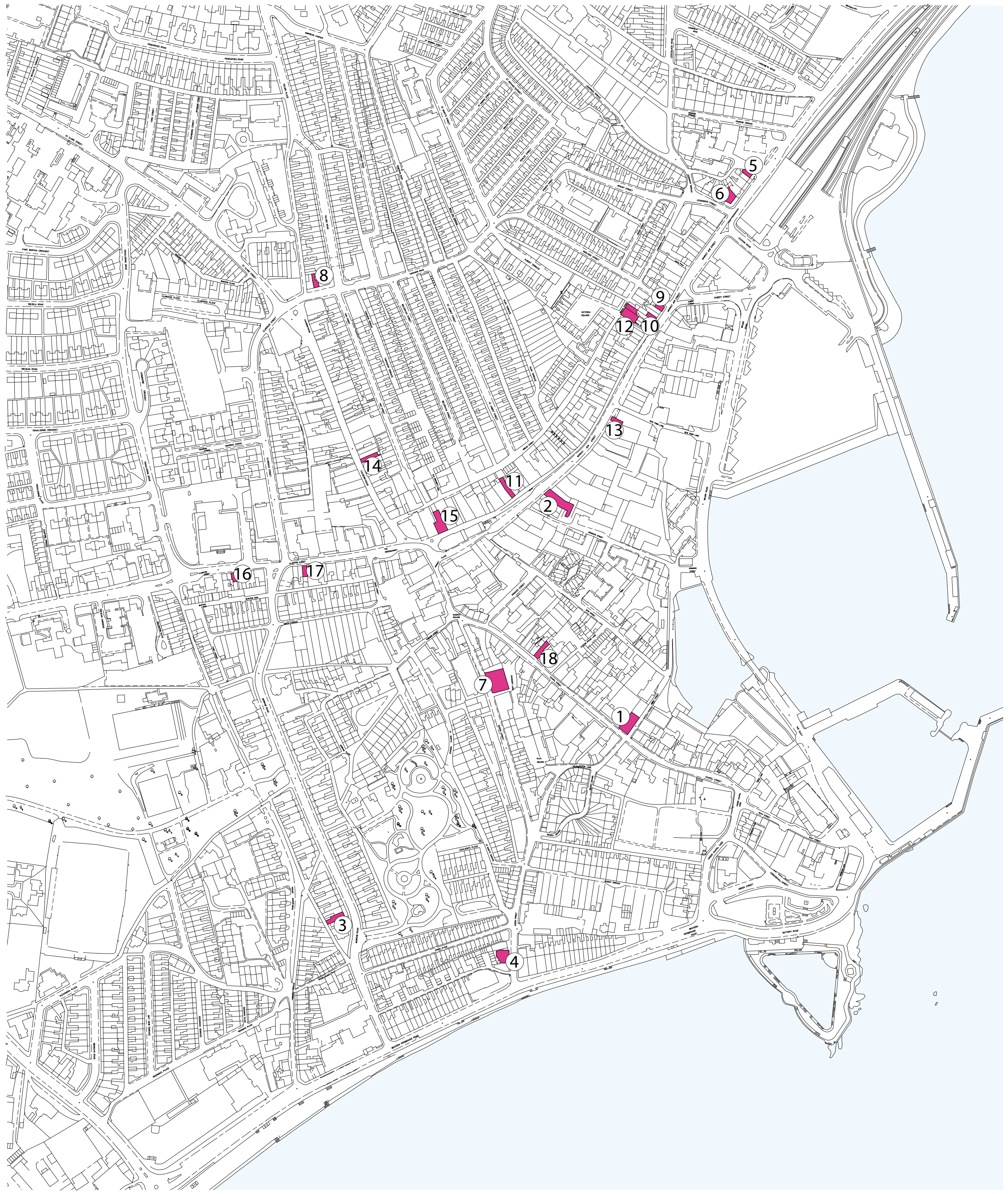


Figure 40: **Available property for sale (as of End of February 2017)**

Key

1. Admiral Benbow Pub
Guide price: £650,000
Grade II Listed

2. Holland & Barrett
Guide Price: £570,000
4,000sqft
Retail Investment

3. Con Amore Guest House
Guide Price: £395,000
8 Bedroomguest house
Retail Investment

4. Navy Inn Pub
Guide Price: £325,000
With 3 bed owner's apartment

5. Whiteways Guest House
Guide Price: £279,950
5 letting bedrooms and 1 bed owner's accommodation

6. Suds & Surf (Launderette)
Guide Price: £249,950
Ground floor retail unit with 2 bed apartment above

7. Light Industrial Unit
Guide Price: £225,000
4,248sqft
Potential for development of 4 residential units

8. Chans Oriental Food
Guide Price: £199,500
512sqft
Retail premises with 2 bed flat above
Planning permission gained for conversion of retail unit to 1 bed flat

9. The Painted Bird
Guide Price: £195,000
554sqft
Retail unit with 1 bed studio flat

10. Retail Property
Guide Price: £189,950
1,723sqft
Redevelopment opportunity for conversion of the two upper floors into 2 x 2bedroom flats

11. Retail Property
Guide Price: £185,000
Retail shop ground floor with planning permission for first and second floor conversion into 2 x 2bedroom flats

12. Residential Development
Guide Price: £150,000
Planning permission for 4 new open market dwellings

13. Pellows Bakery
Guide Price £79,950
Leasehold for 3 floors

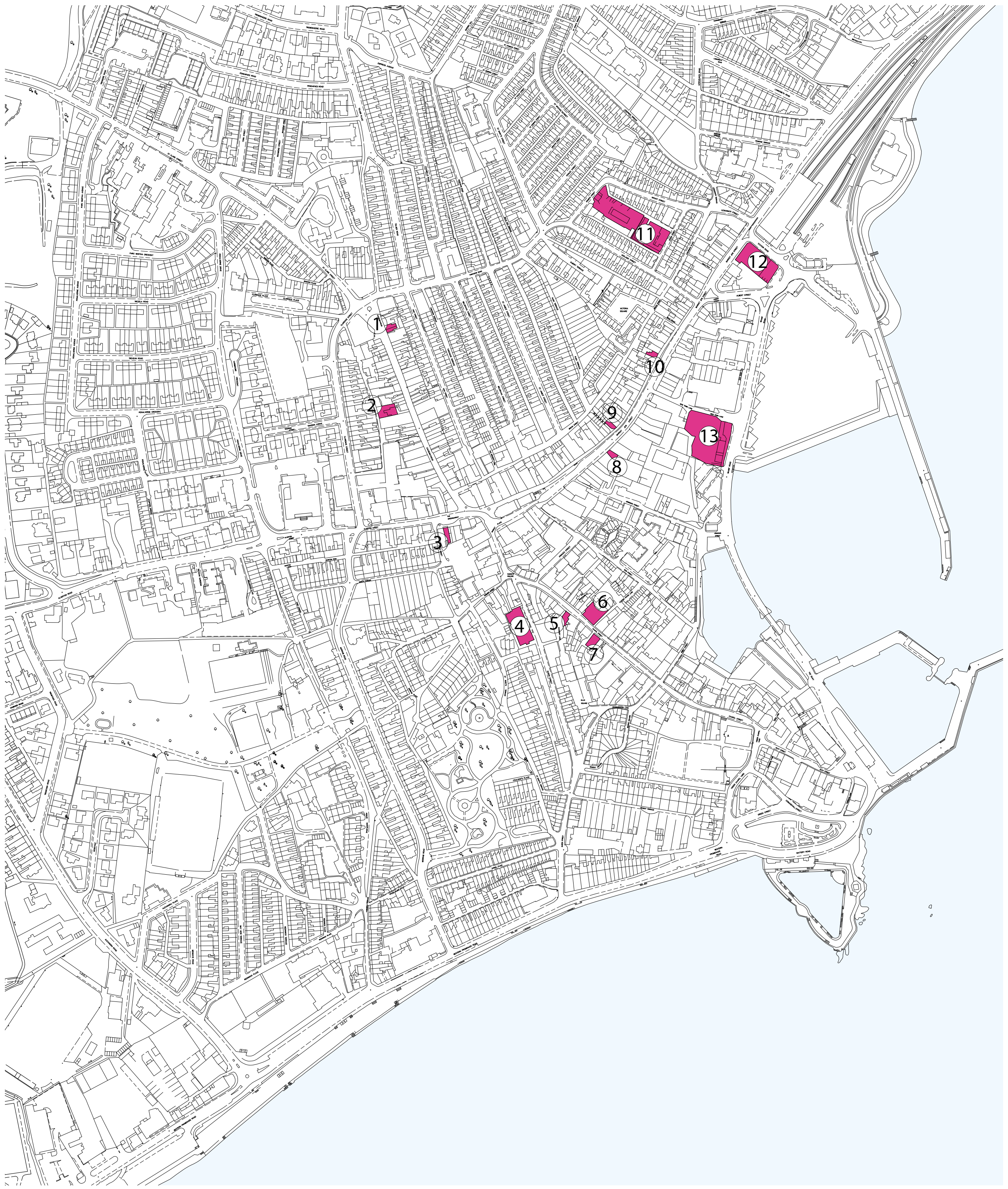
14. Retail Property
Guide Price: £66,000
379sqft retail plus maisonette above

15. M&Co. Retail Property
£35,000
Ground floor unit, storage on first floor

16. Offices
Guide Price: £180,000
Offices on ground floor and again on first and second floors

17. Penzance Office
Guide Price: £75,000
790sqft over two floors

18. Retail Property
Guide Price: £60,000
Self contained ground floor shop



Key

1. PA16/04051
Change of use
Merging of A1 Shop and A3 Cafe with2 flats above into single A3 Restaurant and 1 flat oer the top.

2. PA15/06336
Enlargement to cinema, new offices and 10 apartments. Extension of existing shop to form a restaurant.

3. PA15/02598
Change of use from a shop to an estate agents

4. PA12/03555/PREAPP
Demolition of the Ritz and constrcution of 18 apartments

5. PA16/07947
Change of use from dentist and flats to 1 dwelling

6. PA16/09300
Change of use Night Club to office/ archive
Hypatia

7. PA16/00627
Change of use from a Cafe to single dwelling

8. PA16/ 09641
Change of use to suis generis - Tanning Salon

9. PA16/04051
Listed building consent -conversion of 1st and 2nd floors to form 1 b.droom flats

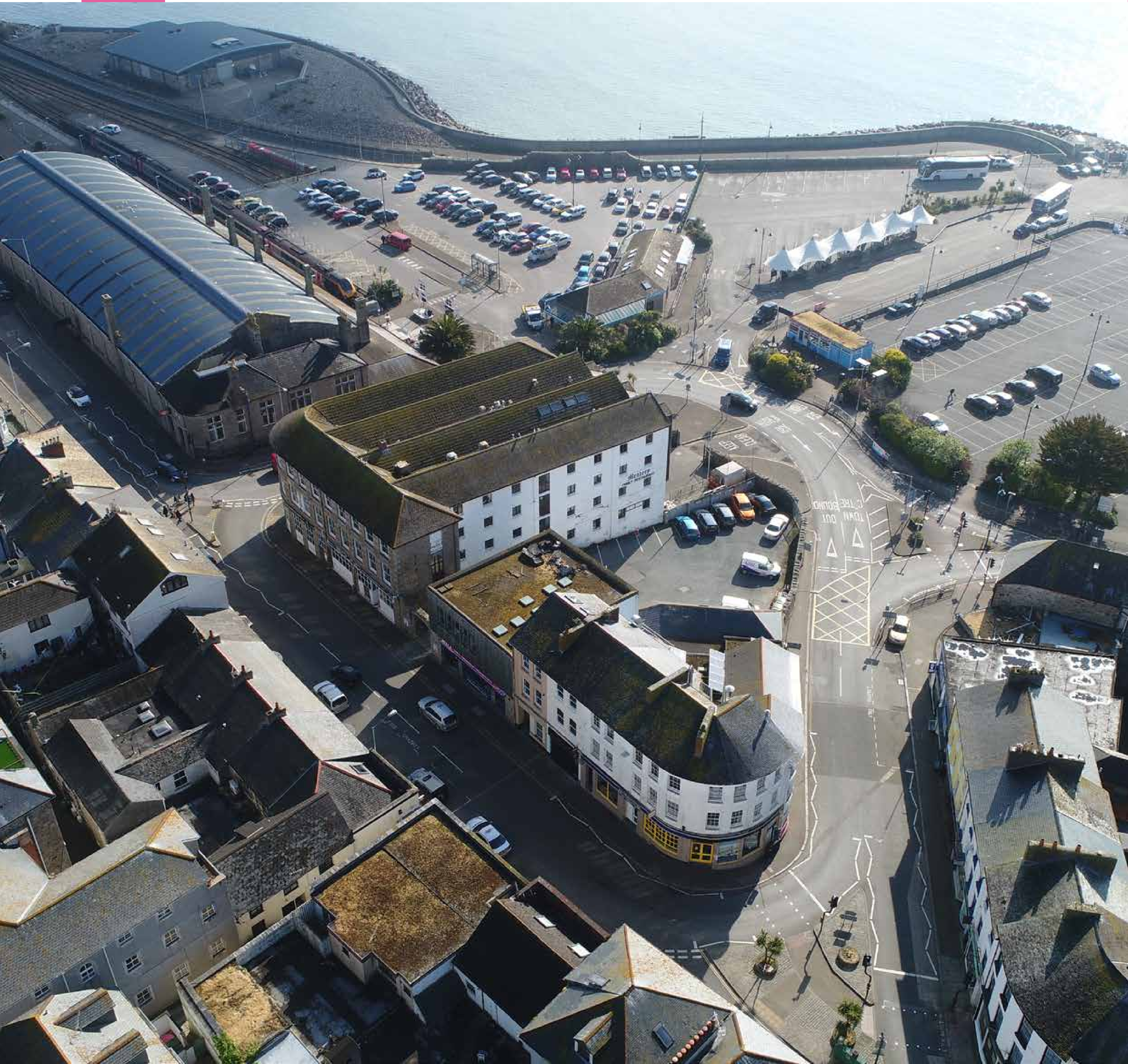
10. PA16/00580
Conversion of loft space

11. PA16/02520/ PREAPP
Replacing existing depot with 24 affordable units

12. PA16/06649
61 Bed Premier Inn

12. PA14/02530
Redevelopment to form 4 commercial units and 60 sheltered apartments for the elderly including communal facilities

Figure 41: **Current planning applications (as of End of February 2017)**



5.0 | SPATIAL CHARACTER ASSESSMENT BASELINE

5.0

5.0

5.0 Spatial Character Assessment Baseline

5.1 Introduction

5.1.1 This section of the report identifies both the physical and perceptual character of the study area in order to highlight opportunities and constraints.

5.2 Character Assessment Baseline mapping

5.2.1 The following assessments have been carried out:

- Access (Vehicular)
- Access (Pedestrian)
- Circulation & Public Transport
- Access (Car Parks)
- Historic : Listed Buildings
- Open space Framework
- Land Use (Ground Floor)
- Land Use (above ground floor- based on Council Tax data)
- Townscape Character
- Legibility/ Mental Map

5.2.2 The baseline report as completed between January and June 2017. Some data therefore may be superceded.

Figure 42: **Access: Vehicular**

Key

- Main route
- Secondary route
- Tertiary route
- Access lane
- Pedestrianised
- Primary retail

Summary

- Main vehicular circulation is along the water front
- Market Jew Street is the primary retail street but access for private cars is restricted from the west. Only taxis and buses can travel down Market Jew Street.
- Causeway Head is primarily pedestrian
- Alverton Street and Chapel Street form secondary retail streets that connect back onto the wider circulation pattern
- There is a network of tertiary residential streets that are linked via pedestrian opeways and narrow lanes(refer to following plan)
- The south side of Market Jew Street is not well connected to Wharf Road.

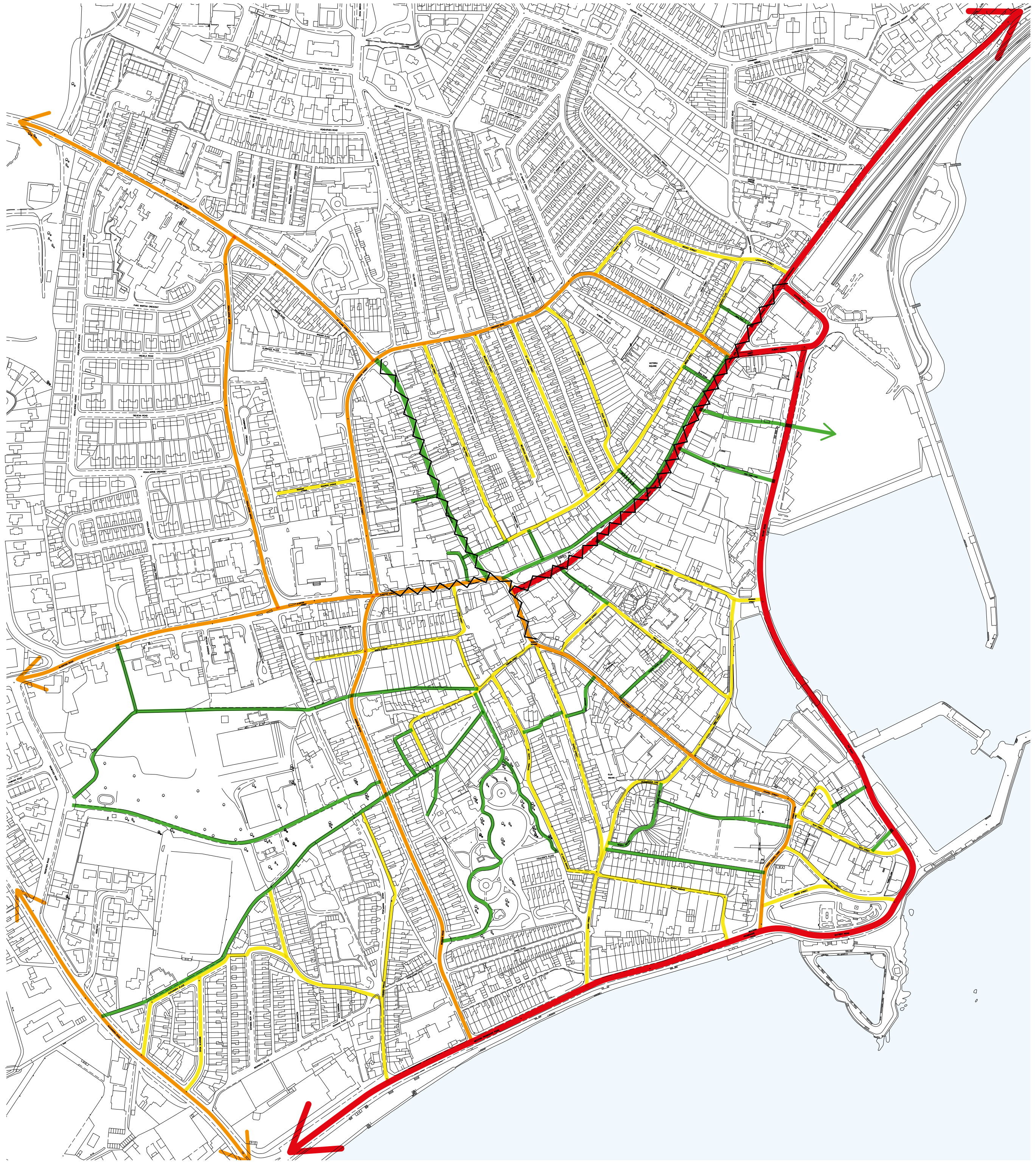


Figure 43: **Access: Pedestrian**

Key

Principal pedestrian routes

Summary

- There is a tight network of tertiary lanes within the Study Area that connect the residential districts to the town centre via a series of narrow lanes and opeways.

Figure 44: **Circulation & Public Transport**

Key

- Two way system
- One way system and direction of travel
- Cyclists, taxis and local buses only and direction of travel
- One way system and direction of travel wih the following restrictions: No vehicles Fri - Sat 10am - 4pm. No vehicles art other times except for loading
- Bus stop operated by first Kernow
- Penzance Railway Station - end of the railway network

Summary

- There is a network of one way systems and restricted access in the Town Centre.
- Albert Street / Sation Road forms a poor public realm due to the gyratory system.
- Bus station and railway station form a transport hub at the end of the main high street which should increase footfall.
- Taxi rank at the top of Causewayhead provides a good location for local retailers

Figure 45: **Access: Car parks**

Key

1. Penlee House Carpark
Operator: Private Operators
147 spaces | long stay
Charges
£1.90 per day (24 hours)
£90 for a quarterly ticket – Jan-Mar; Apr-Jun; Jul-Sept; Oct-Dec
No monthly tickets
Annual ticket (available from 1 April) £360

2. St Johns Hall/ Penalverne Carpark
Operator: Cornwall Council
102 spaces | max stay 3hrs
Charges
All days 8am - 6pm
Up to 1 hour - £1.00
1 to 2 hours - £2.00
2 to 3 hours - £3.70
All days 6pm – 00.30am - Session - £1.50
All days 00.30am - 8am - No charge

3. St Erbyns Carpark
Operator: Cornwall Council
201 spaces | max stay 3 hrs
Charges
All days 8am - 6pm (except coaches and commercial vehicles)
Up to 1 hour - £1.40
1 to 2 hours - £2.10
2 to 3 hours - £2.90
3 to 4 hours - £3.40
24 hours - £5.60
Weekly - £39.20 (for cars only) can only be purchased via the pay by mobile phone system, not at the pay and display. This ticket does not guarantee you a space. It isn't a rover ticket and can only be used in this car park.
All days 6pm – 00.30am (except coaches and commercial vehicles) - Session - £1.50
All days 6pm - 00.30am (coaches and commercial vehicles)
Per hour - £1.50
24 hours - £10.00
All days 00.30am - 8am - No charge

4. Causewayhead Carpark 1
Operator: Cornwall Council
21 spaces | max stay 3 hrs
Charges
All days 8am - 6pm
Up to 1 hour - £1.00
1 to 2 hours - £2.00
2 to 3 hours - £3.70
All days 6pm – 00.30am - Session - £1.50
All days 00.30am - 8am - No charge

5. Causewayhead Carpark 2
Operator: Cornwall Council
21 spaces | max stay 3 hrs
Charges
All days 8am - 6pm
Up to 1 hour - £1.00
1 to 2 hours - £2.00
2 to 3 hours - £3.70
All days 6pm – 00.30am - Session - £1.50
All days 00.30am - 8am - No charge

6. Clarence Street Carpark
Operator: Cornwall Council
85 spaces | max stay 3 hrs
Charges
All days 8am - 6pm
Up to 1 hour - £0.90
1 to 2 hours - £1.80
2 to 3 hours - £3.90
All days 6pm – 00.30am - Session - £1.50
All days 00.30am - 8am - No charge

7. Greenmarket Carpark
Operator: Cornwall Council
43 spaces | max stay 3 hrs
Charges
All days 8am - 6pm
Up to 1 hour - £0.90
1 to 2 hours - £1.80
2 to 3 hours - £3.90
All days 6pm – 00.30am - Session - £1.50
All days 00.30am - 8am - No charge

8. St Anthony's Carpark
Operator: Cornwall Council
48 spaces | long stay
Charges 15 March - 31 October
All days 8am - 6pm
Up to 1 hour - £1.00
1 to 2 hours - £1.80
2 to 3 hours £2.90
2 to 4 hours - £4.10
24 hours - £5.60
Weekly - £39.20 (for cars only) can only be pu via the pay by mobile phone system, not at th and display. This ticket does not guarantee yo space. It isn't a rover ticket and can only be us this car park.
All days 6pm – 00.30am - Session - £1.50
All days 00.30am - 8am - No charge
Charges 1 November - 31 October
All days 8am – 00.30am - 24 hours - £2.50
All days 00.30am - 8am - No charge

9. Harbour Carpark
Operator: Cornwall Council
749 spaces | long stay
Charges
All days 8am - 6pm - marked 30 minute spaces
Up to 30 minutes - £0.60
All days 8am - 6pm (except coaches and commercial vehicles)
Up to 1 hour - £1.40
1 to 2 hours - £2.10
2 to 3 hours - £3.00
3 to 4 hours - £3.60
24 hours - £6.00
Weekly - £42.00 (for cars only) can only be purchased via pay by mobile phone system, n the pay and display. This ticket does not guara you a space.

10. Railway Station Carpark
Operator: Private
129 spaces | long stay
Charges
Mon-Fri Daily Rate after 10am - £1.90.
Mon-Fri 24 hours - £3.20 per 24 hours
Sat-Sun 24 hours - £1.90 per 24 hours

Summary

- Main visitor parking is on the Harbour car park and along the frontage with pedestrian linkage to Market Jew Street via an escalator.
- Local traffic tends to use the western car parks which are embedded in the urban grain.

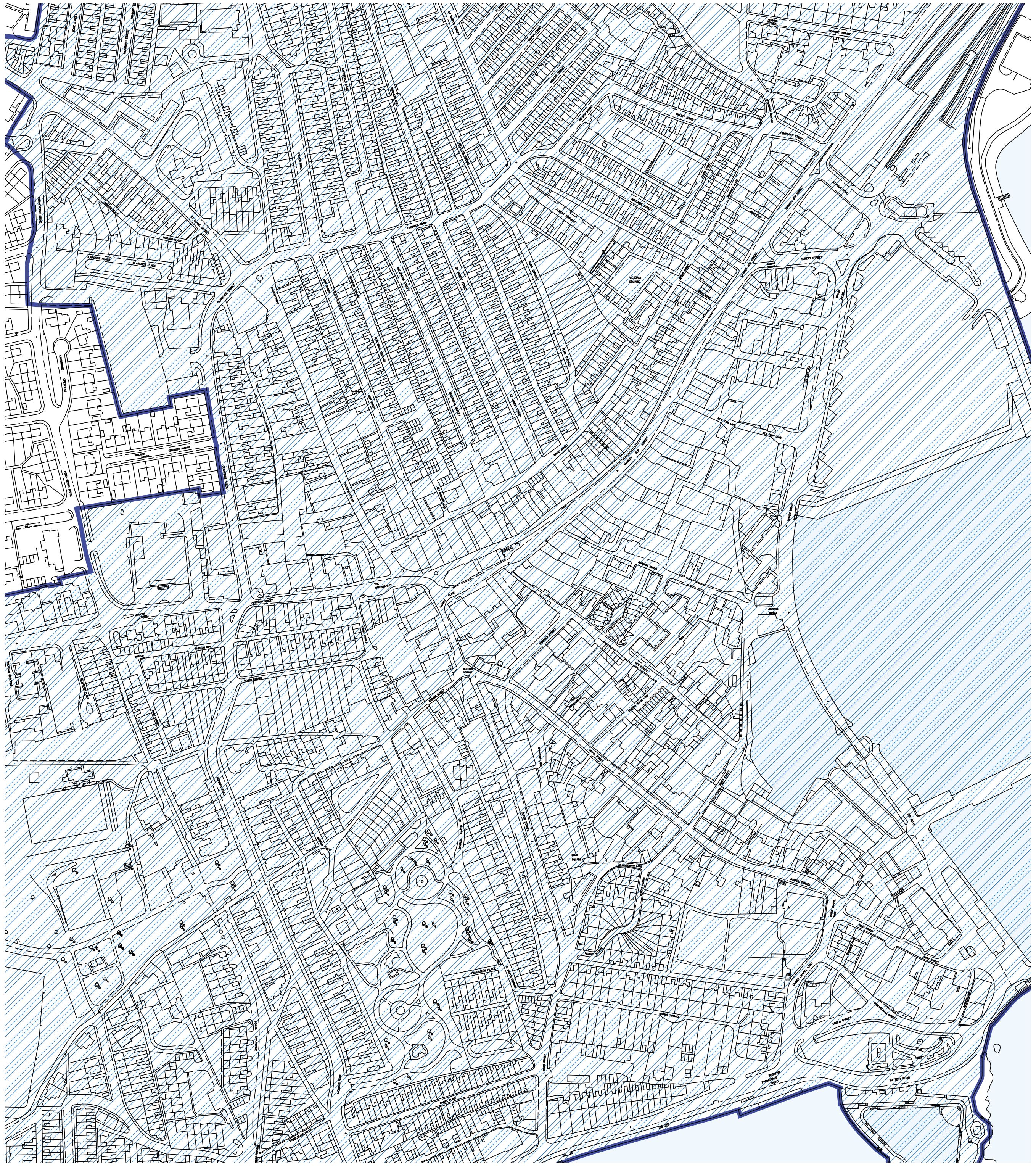


Figure 46: **Historic: Conservation Area**

Key

Conservation Area

Summary

- A large proportion of the Study Area is covered by a Conservation Area.

Figure 47: **Historic Mapping: 1907**

Image 2: *Historic Photographs*

Summary

- A large proportion of the Study Area is still historically intact
- The area to the south of the Market Jew Street has lost a lot of the historic grain.
- There are some modern interventions which do not reflect the historic massing and grain of the town- eg Ritz Cinema, 360 degrees, BT Building

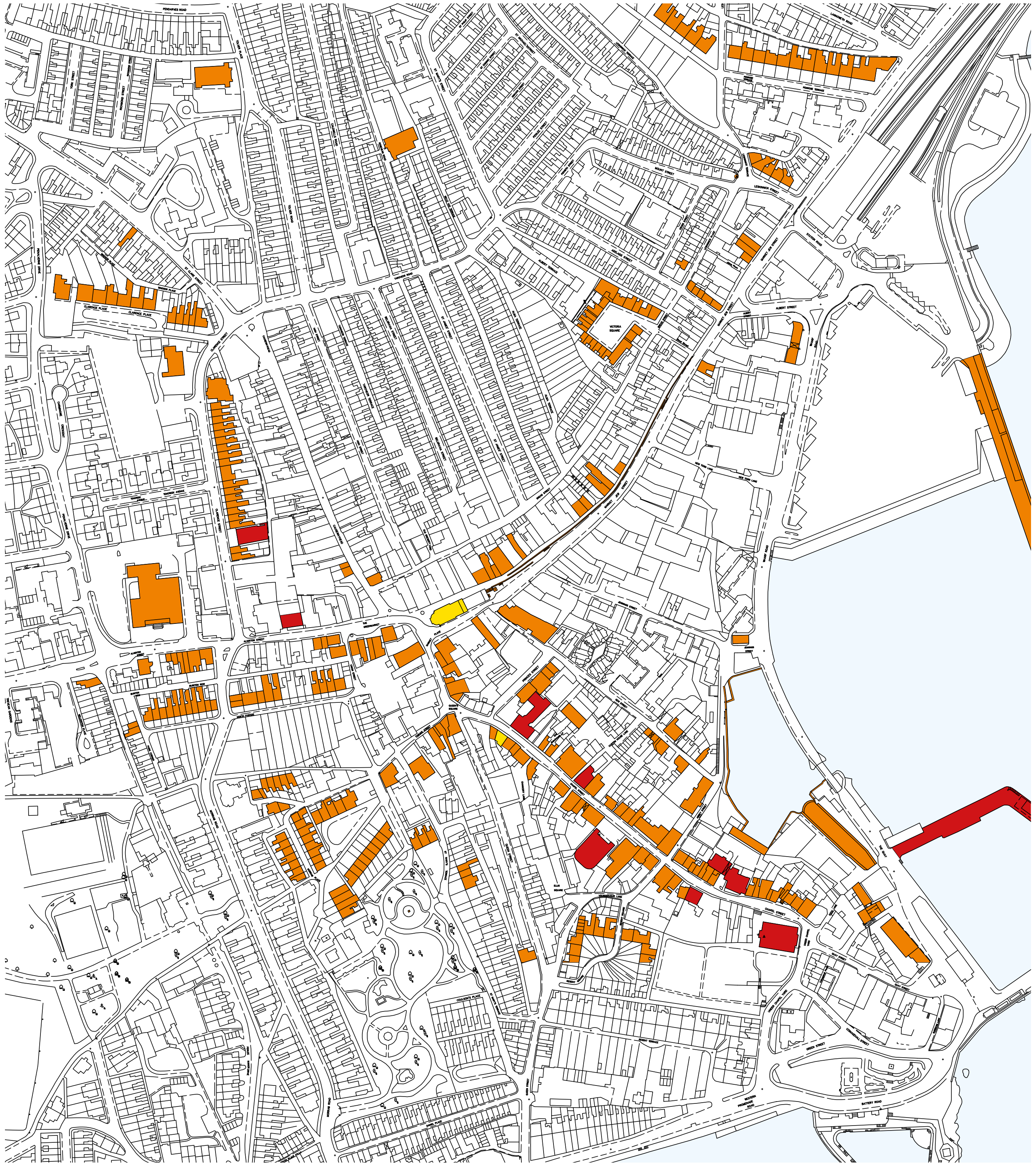


Figure 48: **Historic: Listed Buildings**

Key

Grade I

Grade II

Grade II*

Summary

- The Market Building and the Egyptian House are Grade 1 Listed buildings. Both are focal buildings in the street scene.
- There is a very coherent historic core to Penzance.
- The south side of Market Jew Street is poor in architectural quality unlike the northern side which retains many of the historic buildings

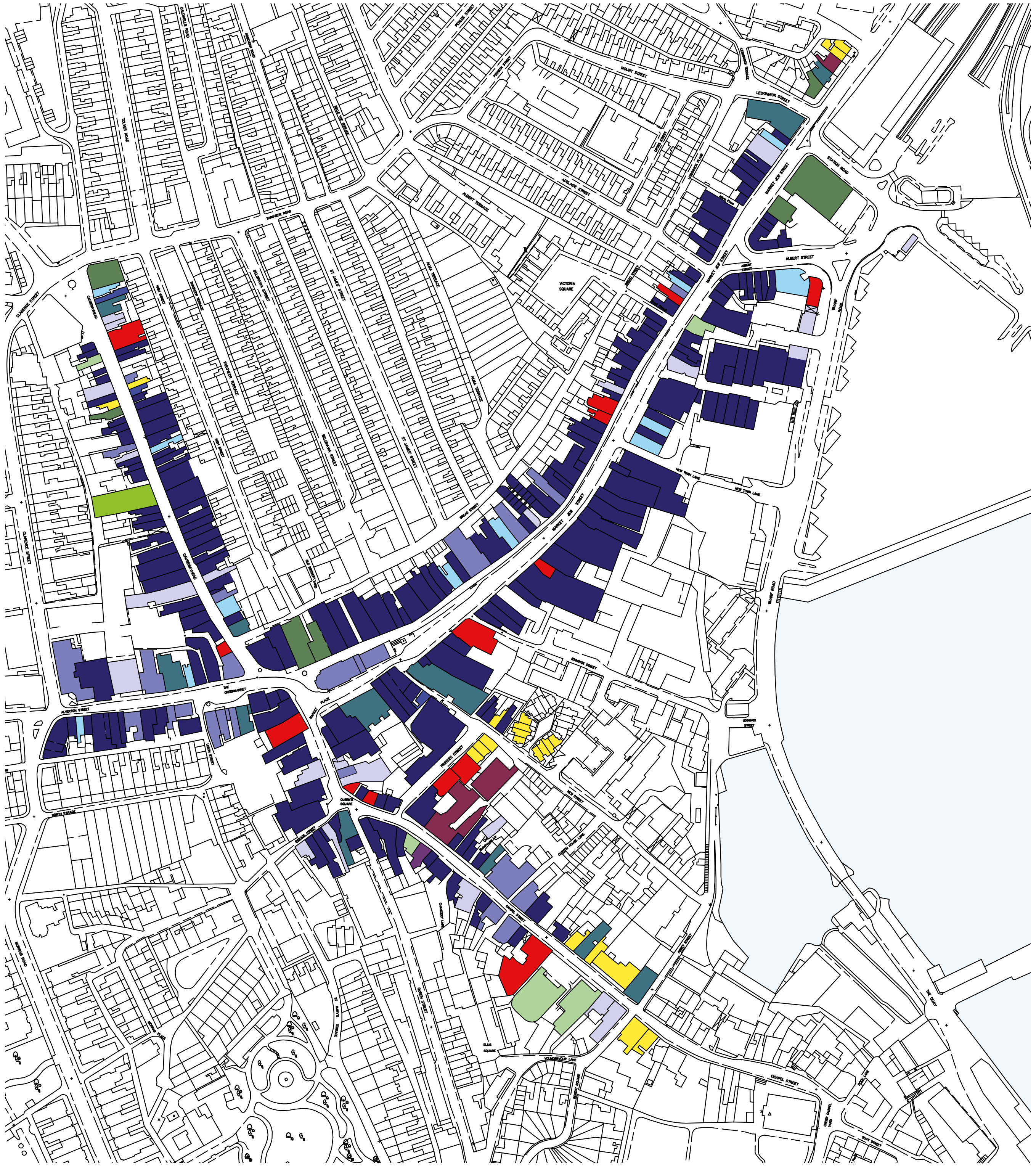


Figure 49: **Land Use: Town Centre Core**

Key

- **A1 Shops** - Shops, retail warehouses, hairdressers, undertakers, travel and ticket agencies, post offices, pet shops, sandwich bars, showrooms, domestic hire shops, dry cleaners, funeral directors and internet cafes
- **A2 Financial and professional services** - Financial services such as banks and building societies, professional services (other than health and medical services) and including estate and employment agencies.
- **A3 Restaurants and cafes** - For the sale of food and drink for consumption on the premises - restaurants, snack bars and cafes.
- **A4 Drinking establishments** - Public houses, wine bars or other drinking establishments excl. night clubs
- **A5 Hot food takeaways** - For the sale of hot food for consumption off the premises
- **B1 Business** - Offices, research and development or products and processes, light industry appropriate in a residential area
- **B2 General industrial** - Use for industrial process other than one falling within class B1 (excluding incineration purposes, chemical treatment or landfill or hazardous waste).
- **B8 Storage or distribution** - This inlcudes open air storage
- **C1 Hotels** - Hotels, boarding and guest houses where no significant element of care is provided (excludes hostels).
- **C2 Residential institutions** - Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.
- **C3 Dwellinghouses**
- **C4 Houses in multiple occupation** - small shared houses occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.
- **D1 Non-residential institutions** - Clinics, health centres, crèches, day nurseries, day centres, schools, art galleries (other than for sale or hire), museums, libraries, halls, places of worship, church halls, law court. Non residential education and training centres.
- **D2 Assembly and leisure** - Cinemas, music and concert halls, bingo and dance halls (but not night clubs), swimming baths, skating rinks, gymnasiums or area for indoor or outdoor sports and recreations (except for motor sports, or where firearms are used).
- **Sui Generis** - uses that do not fall within any of the listed class uses. Such uses inlcude: betting shops, pay day loans, theatres, petrol filling stations, amusements, night clubs and casinos.
- **Vacant or derelict**

Summary

- Market Jew Street is the principal shopping street.
- The south side of Market Jew Street includes larger footprint stores
- The north side of Market Jew Street includes smaller independent retailers within the historic building core.
- Chapel Street is a beautiful mixed use street with a 'Bohemian' upmarket character that links down to Coinagehall Street and connects to the water front- the linkage isn't clear though. The transition between retail and residential is very subtle and works well
- Causewayhead is a local independent shopping street with smaller scale footprints and mixed uses. The transition between retail and residential is quite abrupt.

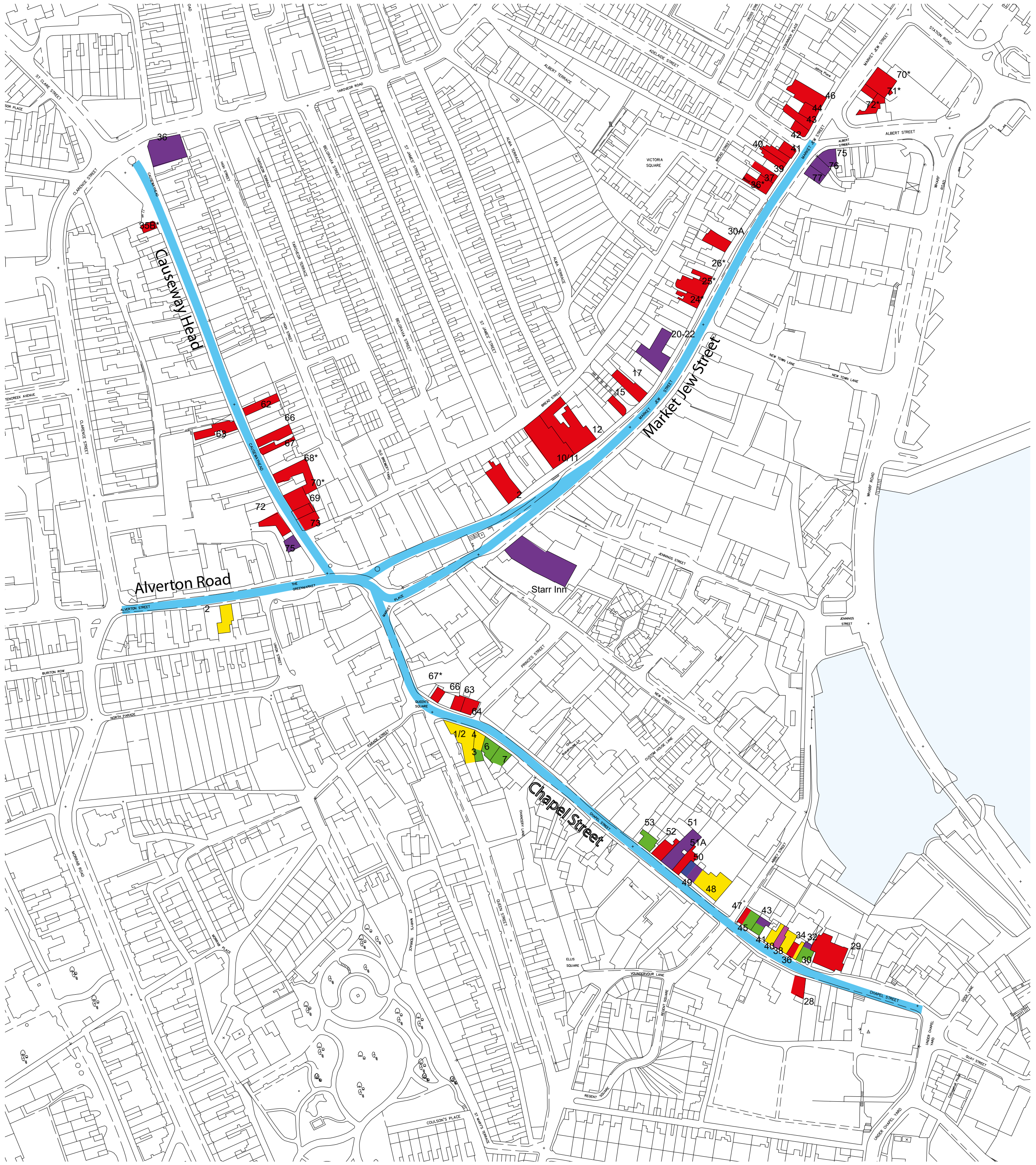


Figure 50: **Council Tax**

Key

- Council Tax Band A - £1,123.68
- Council Tax Band B - £1,310.96
- Council Tax Band C - £1,498.23
- Council Tax Band D - £1,685.51
- Council Tax Band E - £2,060.06
- Council Tax Band F - £2,434.62

Building locations are approximate

* Indicates a building with more than one apartment

Summary

- There would appear to be limited above shop floor residential accommodation within the town centre, particularly on the south side of Market Jew Street.
- Chapel Street provides a good mixed use street with a good transition between retail and residential.

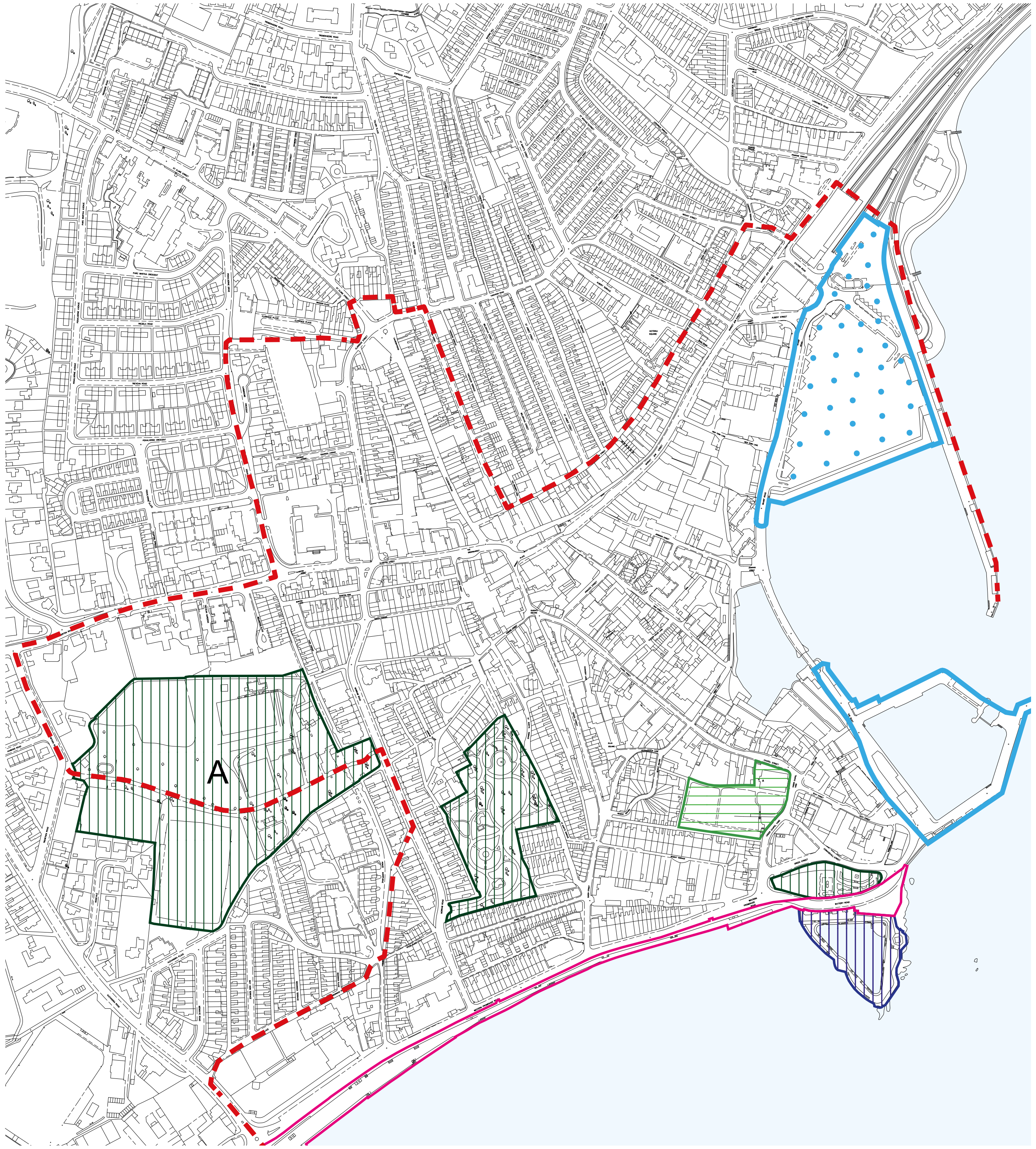


Figure 51: **Open space framework**

Key

- Harbour
- Water frontage/ marina/ car parks/ ferry terminal
- Church yards - St Mary's
- Parks (public) - A = Penlee House; B = Morrab gardens
- Promenade
- Outdoor pool (Jubilee Pool)

Summary

- A majority of the main parks and gardens are on the south side of the study area within the historic residential core.
- The parks are well kept and attractive destinations that offer formal and informal recreation. Morrab gardens are a Registered Park & Garden.
- The park opposite Jubillee Pool is not well used and is not attractive.
- The promenade is a well used public linear space but needs to be improved in terms of public realm
- Jublilee Pool is an attractive feature but is difficult to see.
- The harbour and Wharf road are interesting areas but the footpath access is poor.

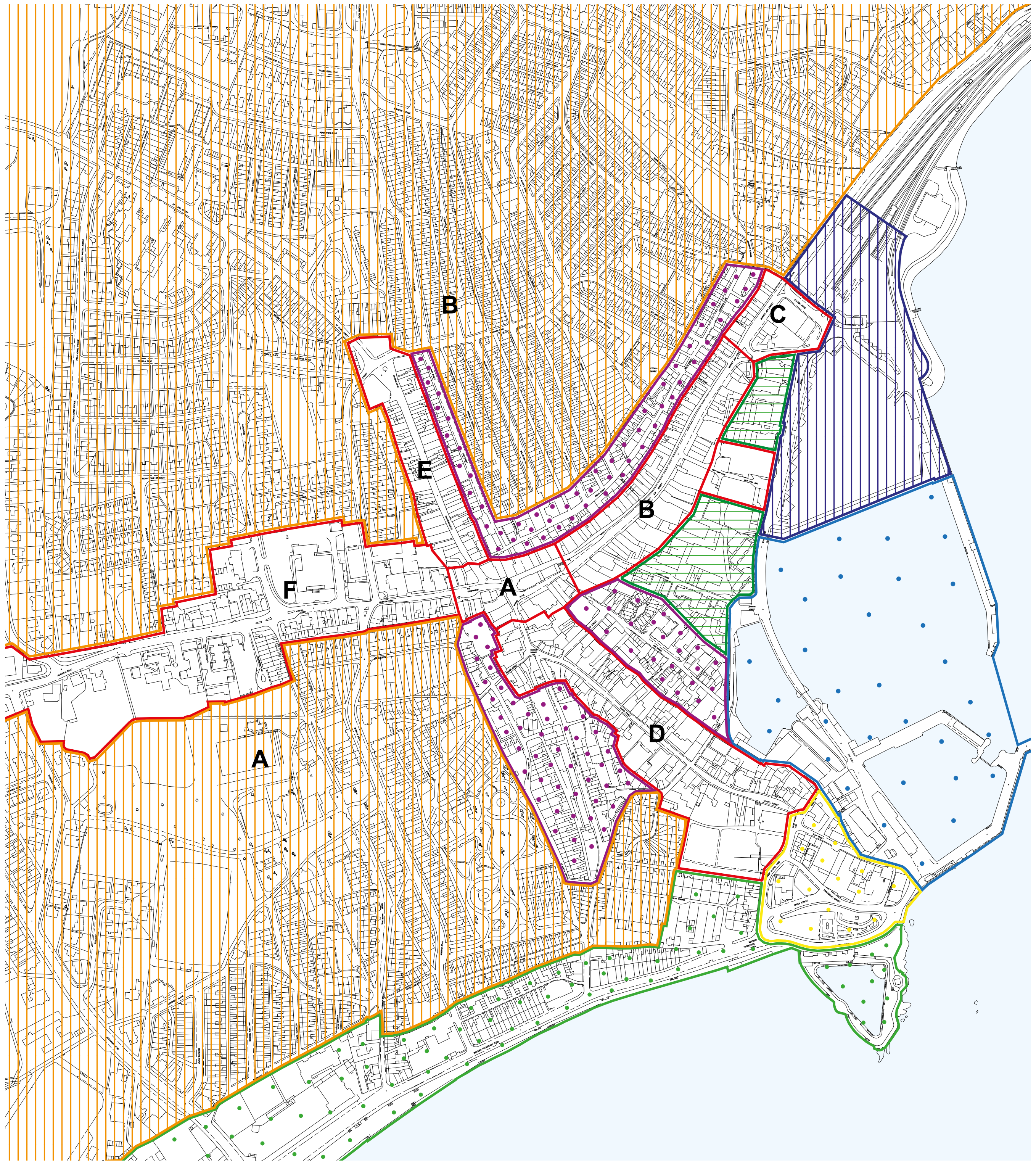


Figure 52: **Townscape character areas**

Key

- Key streets
  - A: Town centre core & Market House
  - B: Main retail - Market Jew Street
  - C: Gateway - Albert Street
  - D: Bohemian Quarter - Chapel Street
  - E: Local shopping - Causeway Head
  - F: Commercial/ civic - St Johns/ Alverton Street
- Backlands - poor condition
- Predominantly residential
  - A: Penlee House
  - B: Lescudjack
- Backlands (generally in good condition)
- Transport hub/ frontage arrival
- Harbour
- The promontory - Coinagehall Street & Barbican
- Promenade

Townscape Character Areas :

Figure 52 shows the main character areas within the town centre. These are fairly broad brush but do reflect the general character in each area. A brief description of each area follows

Town Centre : Key Streets

A : TOWN CENTRE CORE & MARKET HOUSE :

The busy historic retail and commercial focus and core area where the main streets intersect. The area is made up of several linked and well defined spaces with a diverse but coherent collection of substantial historic civic and commercial buildings.

Improvements in the public realm and some key buildings would reinforce the importance of this area.

Some empty units at key locations (Post office/ Dorothy Perkins) needs to be addressed.

5.0

B : MAIN RETAIL STREET - MARKET JEW STREET :

Rising upto the town core (Market Building), Market Jew Street is the main retail street in the town and has the potential to be better connected to the bus, rail and main car park.
The raised pavement and gently rising topography help to define the character of the street quality although the poor quality 20th century retail additions on the south side are detrimental to the overall ambience of the street.

The northern elevated side of the street is more coherent and intact although the quality of some of the units and vacant units is detrimental.

C : RETAIL GATEWAY - ALBERT STREET:

Very important area of the town centre which is compromised by the busy vehicular gyratory system which undermines the pedestrian movement to Market Jew Street. The quality of the shops and buildings in this area is mixed and the change in levels acts as a partial deterrent to pedestrian movements.

Improvements to the traffic movements and pedestrian priority should be considered.

D : BOHEMIAN QUARTER - CHAPEL STREET

One of the most attractive historic streets in Penzance with a very coherent street scape and a mix of shops, pubs, cafés, galleries and residential houses. The transition between retail and residential is seamless and the church draws the pedestrian down the street. The lack of a focal point beyond the church or any view of the sea limits potential movement towards Coinagehall Street.

On going improvements to specific buildings will only add to the quality of this street so long as they are done sympathetically.

E : LOCAL SHOPPING - CAUSEWAYHEAD

This is a busy pedestrian street with a good sense of enclosure and a significant amount of historic built fabric. The shops are generally more local and independent with a good mix of uses (cafés/ cinema/ small retail/ hairdressers/ pub etc)

There are some empty larger units at the southern end of the street and some inappropriate 20th century interventions which could be improved (eg Lou's Shoes).

The public realm needs to be updated and the gateway at the northern gateway is poorly defined.

F : COMMERCIAL / CIVIC - ST JOHNS HALL AND ALVERTON STREET

This is the civic and commercial area of the town centre and St Johns hall plays an important role is being the focal point and gateway building to the town centre.

The commercial and professional services components extends further south along some of the residential streets .

Narrow pavements and poor public realm along Alverton Street, particularly around Greenmarket reduces the quality of the area as do some inappropriate refurbishments and empty properties.

G : THE BACKLANDS (POOR QUALITY)

The historic fabric and urban grain in the backlands area to the south of Market Jew Street has been diluted and destroyed by inappropriate 20th century retail provision and service yards. Jenning Street and New Town Lane have lost their tight grain and the open service yards do little to help improve these important links to Wharf Road and the connection to the sea and harbour.

Significant alterations would be needed to improve the character of this area and to re-instate the connections back to the sea.

H : THE BACKLANDS (HIGHER QUALITY)

The back lanes that support and connect the main shopping streets are important townscape components and are generally intact. Some inappropriate 20th century additions (BT building & the old revenue buildings) have been re-invented and are currently under on going renewal. However, their scale and mass will always be out of scale and character with the historic grain.

Derelict buildings could be restored and bought back into use to help maintain and improve the inherent qualities of these lanes.

TRANSPORT HUB/ FRONTAGE ARRIVAL:

This is an important arrival area for the town by both rail, bus and car. It is busy and mixed in terms of uses but the quality and accessibility is compromised by the vehicle gyratory system.

The main town car park is also located in this area and so visitor and arrival experience is critical- access to Market Jew Street via a shopping mall and escalator works functionally but does little to reinforce the historic character of the town as the Wharf scheme is looking dated.

Additional later living development will increase footfall in this area but the links back to Market Jew Street are compromised.

HARBOUR:

This is a working port and is a key focal point to the town centre. The mix of harbour, sea, large industrial warehouses and sheds, cafés, pubs adds a real character and alternative to the finer grain, gentrified retail streets.

Pedestrian accessibility is however poor and car dominated and linkages back to the town centre poorly defined.

THE PROMENTORY - COINAGEHALL STREET AND BARBICAN

This is a key gateway into the southern arm of the Town Centre. The improved Jubilee Pool and art deco pub provide the makings of an attractive component in what is arguably the most important site in the town. The current Coinagehall street proposals are key to the success of this area.

Improvements to the access and gardens will also assist in helping to integrate the area and allow people to see the inherent qualities.

PROMENADE:

The promenade is a focal linear public space along the sea front- connecting the town to the Newlyn. This is a leisure destination and has massive latent potential but the lack of investment in the larger hotels is clear.

Uses should be directed more towards tourism rather than commercial employment.

PREDOMINANTLY RESIDENTIAL:

A : Penlee & Morrab

This gentrified predominately residential neighbourhood is quite beautiful and is enhanced by the network of narrow pedestrian lanes and public parks and gardens which connect back to the town centre.

The northern area adjoins the professional/ commercial services quarter of the town and so many residential properties have been converted to offices.

B : Lescudjack

The tight grid of endless terraces create a very defined urban grain. Bread Street provides the connecting transition to Market Jew Street with a mix of uses . The 19th century historic grain is very coherent although there are some opportunity sites that are embedded within the residential mix which would benefit from re-use and investment.

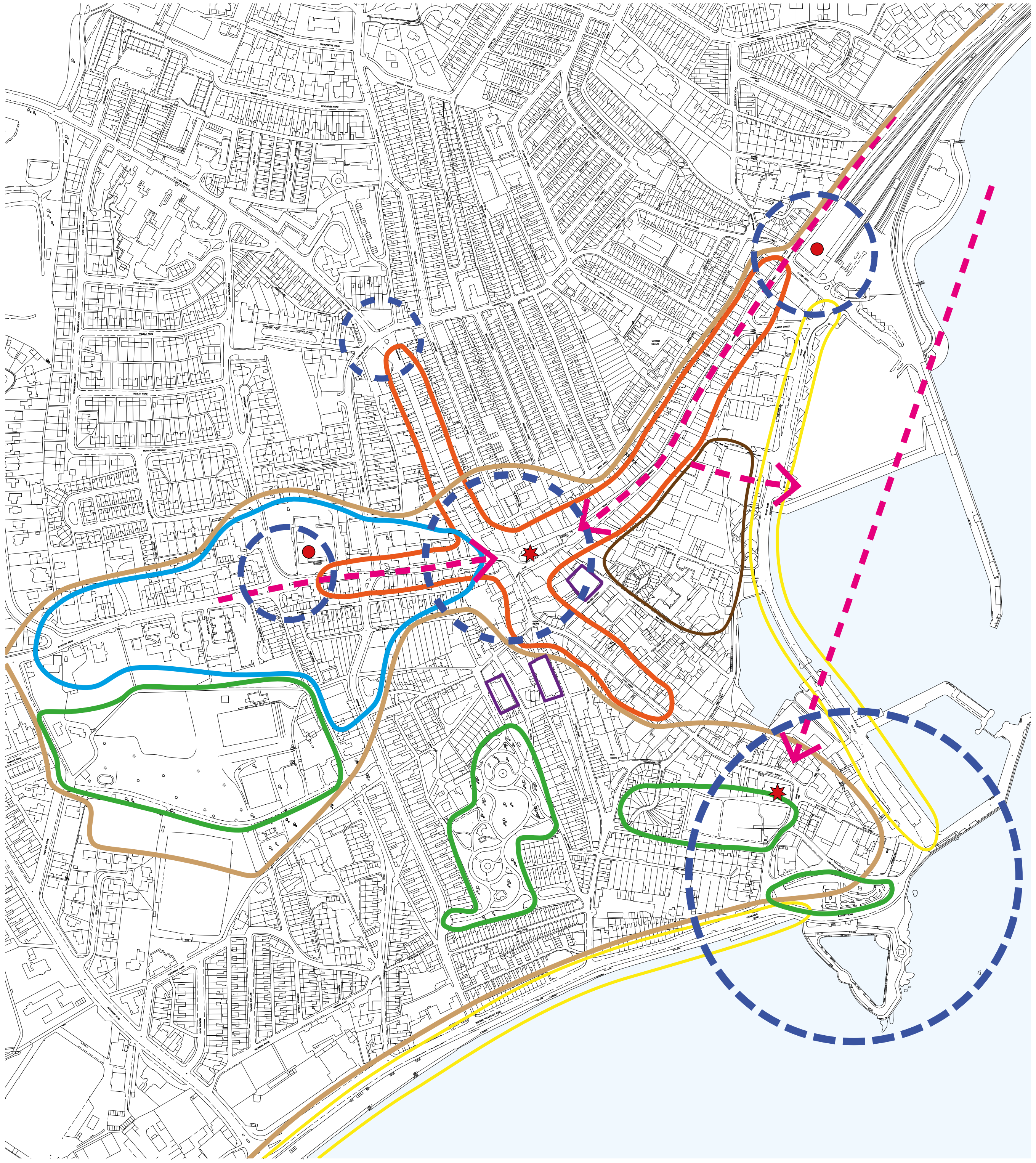


Figure 53: **Legibility plan**

Key

- Focal buildings
- Key buildings
- Views
- Town Centre Core
- Detrimental buildings
- Water frontages/ leisure
- Gateways & key areas
- Backlands
- Predominantly residential
- Predominantly professional services
- Open spaces

Summary

- The Market Building and St Mary's Church are key focal buildings in wider views of the town and help you to orientate yourself.
- St Johns hall and the railway Station are key buildings at either end of the Town Centre
- The BT building,old revenue building (360) and Ritz are poor buildings in terms of townscape character and quality. The two former buildings are completely out of scale with their surroundings.
- There are some glimpsed views of the sea from the linear streets connecting Market Jew Street to Wharf Road. This helps to orientate although the quality and legibility of the connecting streets is varied.
- There are key gateways and a centre - Station/ Harbour/St Johns hall/ Causewayhead and the town centre.
- The top of Market Jew Street is a linear public space but the public realm is poorly defined

Summary :

5.2.3 Penzance is a town with many attributes, both natural and manmade. It is situated within a glorious natural bay with views out towards the iconic St Michaels Mount and it is located close to Mousehole and Newlyn - both well known historic villages and towns.

5.2.4 The main line railway terminates at the end of Market Jew Street - the primary retail street, as does the main bus terminal and principal visitor/ shoppers car park on the harbour. This creates a hub of activity at a key nodal point in the town.

5.2.5 The historic centre of the town is well preserved and is well connected via a network of small streets and pedestrian passage ways to the historic residential areas and well kept parks and gardens. There are many attractive streets including Chapel Street which leads down to St Marys church and forms a beautiful piece of townscape. The Market Building is another iconic building that helps to orientate where the town centre is, both in local and long distant views.

5.2.6 The town centre, whilst covering quite a large area, does have specific character areas which help to provide interest and different types of activity. These include;

- Market Jew Street - primary retail street with large footprint stores on the south side and historic independant shops on the north side, seperated by a raised pavement.
- Market Building (Humphrey Davy Quarter)- this is the centre of the town centre and a key focal point.
- Queens Square/ Chapel Street - A more 'bohemian' artisan quarter with antique shops/ galleries/ small retail, pubs and cafes leading to residential to the south in a seamless transition.
- Alverton Street - leading to the commercial and professional quarter with St Johns Hall defining the gateway with Penalverne Drive.
- Causewayhead - the local shoppping quarter with a good mix of independant shops, cinema and cafes and pubs.
- Bread Street - a parallel street to Market Jew Street with important pedestrian links through to the main retail area. The mix of uses including cafes, small buisness's, small retail and residential helps to provide a good transition to the predominantly residential area to the north.
- Wharf Road - the main leisure frontage onto the harbour but underutilised as a street.

5.2.7 The issues largely lie in the following areas;

Gateways

5.2.8 The Station gateway is poorly defined and the Albert Street / Station Road gyratory does little to encourage pedestrians to access Market Jew Street and instead, guides the visitor along Wharf Road and the frontage and then up the escolator which is a poor entrance to the historic town centre. The quality of the retail offer in this area is also mixed. The inclusion of a Premier Inn may help to restore some activity (night & day) into this area but the road access needs to be re-considered.

5.2.9 The Causewayhead gateway is very loose and poorly defined. The old cattlemarket which is now car parking and intersections of roads doesn't help to orientate nor define the gateway into the town centre. This is a missed opportunity.

5.2.10 Coinagehall Street and the Jubilee Pool is being re-developed and there is real scope to help create a unique part of the town and encourage the visitor and resident to wander down Chapel Street to a visible destination.

5.2.11 Alverton Street / Greenmarket : St Johns Hall makes a huge difference to this area of the town and has become a destination point for residents in the town due to the library and council uses. The confluence of Greenmarket/ Alverton Street/ Market Jew Street/ Causewayhead is poorly defined and traffic dominated. This is the centre of the town and should be seen as a shared space, dominated by pedestrians to assist with creating a joined up public realm and a sense of a 'town square' or heart space.

Linkages & backlands

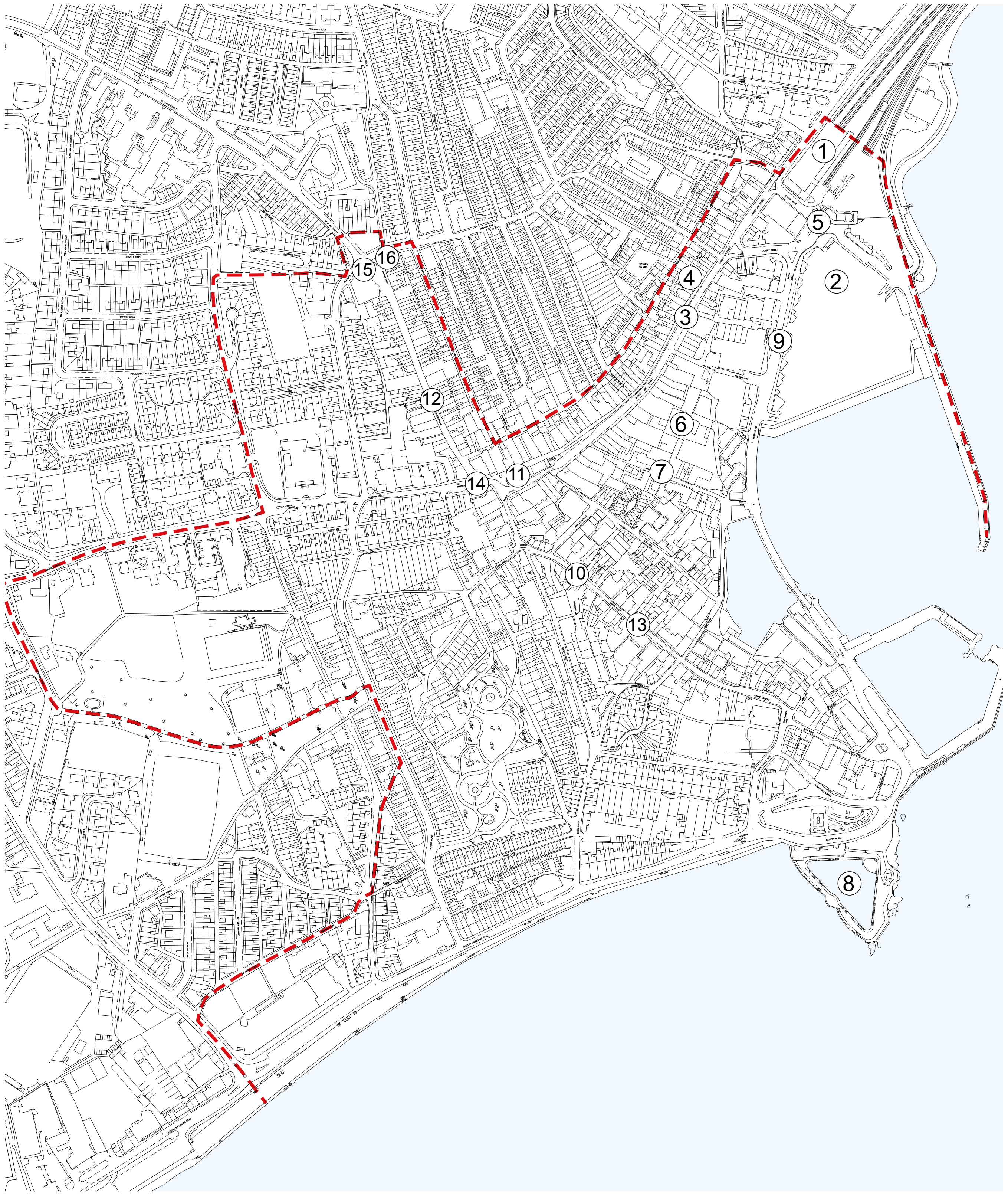
5.2.12 The linkages between Market Jew Street and Wharf Road have been eroded over the last fifty years and have resulted in the disintegration of the lanes that connect the sea to the main street. The service yards to the large footprint stores have removed the inherent 'tight' lane character associated with this area on the historic maps and as a consequence, Market Jew Street has become divorced from the sea front. This area needs complete re-configuration.

Derelict sites & inappropriate buildings

5.2.13 Whilst there is a significant amount of good quality building stock in the Town Centre area, there are also a number of derelict buildings that would benefit from restoration. Some of these have already been earmarked for improvement (Ritz/ 360 etc) but the scale and form of some of the 20th century additions will always remain inappropriate.

Empty retail

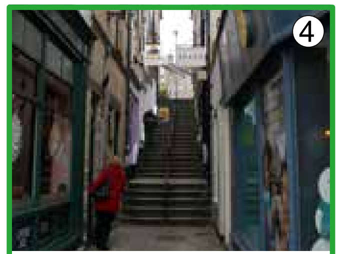
5.2.14 As with many high streets and retail areas, the presence of empty shops is all too apparent although Penzance is fairing better than most. The question is how to manage the ever changing changing retail landscape without harming the inherent character and quality whilst also ensuring that the town centre remains a focal place for residents to meet, greet, shop, eat, sleep, work and play. The inclusion of a mix of uses is therefore the aim of the next section of this report.



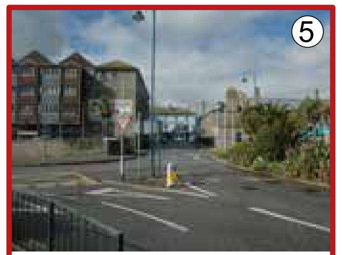
+ve: Train and bus station provides an important transport hub close to the town centre

+ve: Good distribution of car parks, although as a visitor only the harbourside is legible

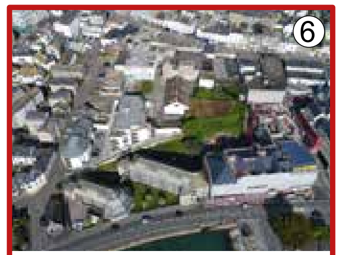
Character area: Market Jew Street is the main retail street (North side is well defined and intact, the South side is poor quality)



+ve: The fine grain network of opeways and streets helps to create a very permeable town centre

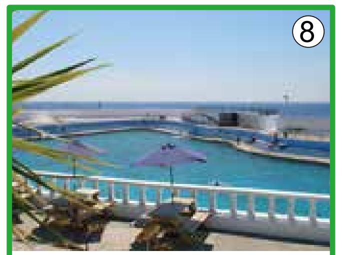


-ve: Albert Street/ Station Road forms a poor gateway into the town

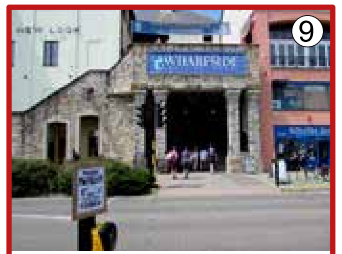


-ve: Market Jew Street - South side & Backlands are poor quality

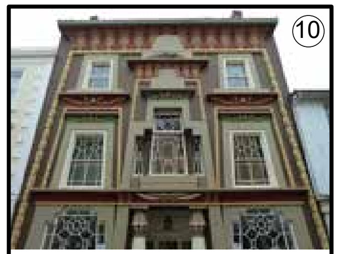
-ve: Jennings Street which is a linking street between the Town Centre and Wharf Road is poorly defined



+ve: Superb town parks and cultural facilities (museums, galleries, lido etc.



-ve: Pedestrians and vehicles are diverted away from the town centre (although Wharfside Shopping Centre escalator provides and important link)



Character area: Chapel Street is more bohemian, cultural, artistic and mixed

+ve: Beautiful historic core and residential neighbourhoods

Character area: Causeway Head is a more independent 'local' shopping area

-ve: Chapel Street and its connection to the Lido/ waterside is poorly defined. This is an important link to the Town Centre

+ve: The Market Jew Street/ Causeway Head/ Green Market/ Chapel Street junction network is traffic dominated and should be more pedestrian focussed whilst still allowing traffic

+ve: Taxi rank at the top of Causeway Head is in a very good location to pick up the northern end of Caueswey Head

-ve: Top of Casueway Head is a traffic dominated street and the town centre should be identified better


NO
ENTRY

6.0 | Retaining & Attracting Investment

6.0

6.0 Penzance: Retaining & Attracting Investment

6.1 Retaining & Attracting Investment

6.1.1 The condition of any town centre and the quality of the experience it provides for residents, workers, shoppers and visitors is in large part a function of the level of expenditure in the town centre, which in turn influences its attractiveness to investors, developers and occupiers. At the workshop we used a simple, stylised model to track expenditure flows in and out of Penzance town centre (see Figure 54):

- local spending power is determined by the disposable income of people living in the Penzance catchment area, supplemented by (i) expenditure by tourists, day visitors and shoppers from further afield, and (ii) day-time expenditure by people who commute to work in Penzance

- leakage occurs when local residents (i) purchase goods and services online, (ii) shop in out-of-town locations, travel to other towns in Cornwall for shopping/leisure visits, or travel out of the region, or (iii) commute outside Penzance and buy goods and services close to their place of work

- the level of local expenditure is thus the value of local spending power less leakage.

6.1.2 The question for business owners and policy makers is whether and how we can influence these expenditure flows. How can we maximise the spending power available to the businesses and amenities in Penzance town centre, and what can we do minimise the scale of leakage? Leakage is an inevitable fact of life for any small town in the first quarter of the 21st century. Unchecked, it can drain the life out of town centre, but it can be contained to a sustainable level if the town's offer is sufficiently attractive and competitive.

6.1.3 Using this model can help to shape and prioritise interventions in the town centre, and it highlights the systemic nature of the challenges. The model helps policy makers to identify a broad range of strategic objectives including:

- growing the resident population of Penzance and its catchment area
- attracting and retaining skilled and educated people of working age
- raising average household incomes through increased economic activity and higher productivity
- increasing the number of high-wage, high-skill jobs in the town centre
- reducing dependency on low-wage/low-skill, part-time and seasonal work by supporting knowledge-based business start-ups, growth, innovation and productivity
- making Penzance a more attractive, better cared-for place with an excellent public realm and a people-friendly environment
- investing in digital and transport infrastructure to make Penzance a connected and accessible place to live and run a business
- improving the quality and choice of shopping, culture, leisure, food and drink and hospitality
- helping to create a viable, functioning property market across all sectors, delivering market-led solutions for opportunity sites and redundant buildings
- enhancing the image and reputation of Penzance through substantive improvements, an events programme and effective promotion.

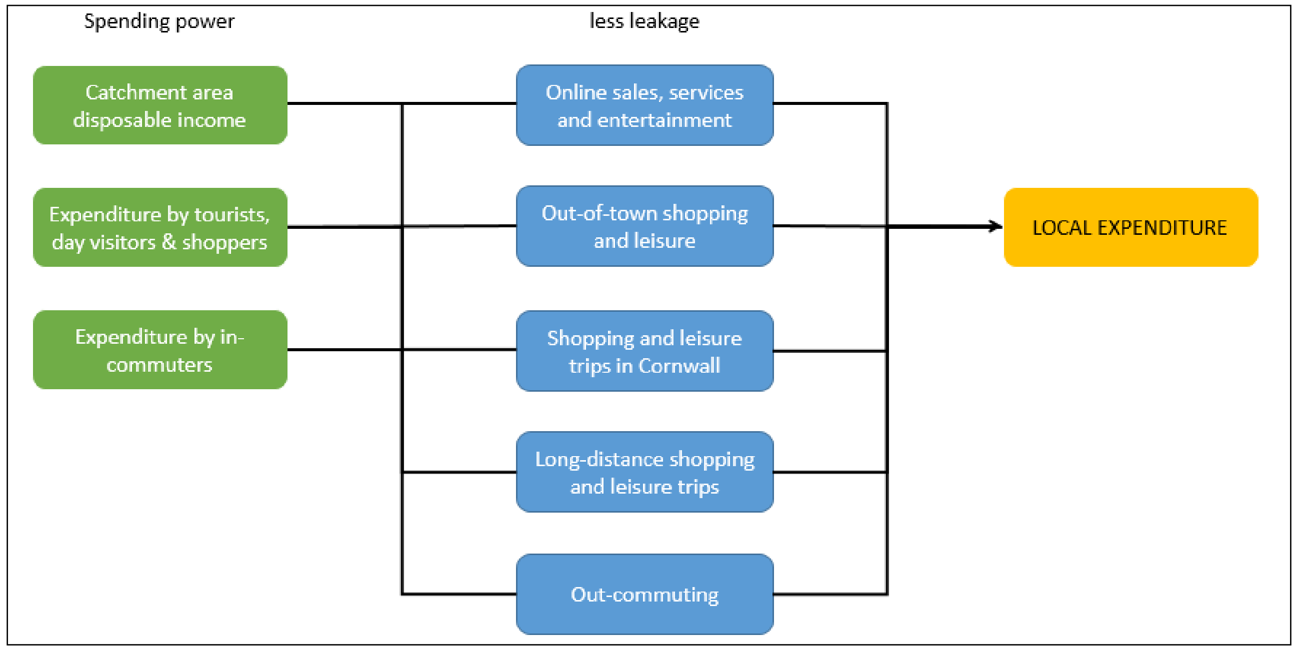


Figure 54: **Town centre expenditure flows**

6.1.4 Regional and local partners including, Cornwall Council, the LEP, universities, public bodies, the Penzance Partnership, the BID and the Neighbourhood Plan team are working together on a broad front to make Penzance a better and more competitive place to live, work and visit. But experience shows that, to achieve sustainable change, interventions to tackle property market failure and unlock investment need to be complemented by a whole-place approach encompassing:

- economic development, including enterprise, innovation and skills
- placemaking and proactive planning
- place marketing, to attract entrepreneurs, skilled workers, visitors, and inward investment
- governance, partnership, entrepreneurship and community engagement.

6.1.5 From a spatial perspective, the town centre presents a range of challenges. The most significant, by virtue of scale, complexity and visual impact, relate to the eastern gateway to Penzance:

- the triangular site bounded by Market Jew Street, Station Road and Albert Street, and the associated gyratory road system
- the large and unsightly tract of surface parking (Harbour Car Park) on the east side of Wharf Road which separates the town from the waterfront
- the south side of Market Jew Street where unsympathetic and poor quality late 20th century retail developments have degraded the quality of the historic street, and respected brands have been replaced by charity shops and value retail
- the fragmented area backlands area between Jennings Street and New Town Lane which has severed connections between the high street and the waterfront.

6.1.6 The condition of these high-profile strategic sites at the main point of entry to Penzance has a big influence on perceptions of the town centre. Collectively, they make a disappointing first impression for people arriving by car or train. The problem is compounded by a traffic-dominated environment which is hostile to pedestrians and cyclists and means that the area does not function as a welcoming or attractive gateway to Penzance. However, there are some encouraging signs of change:

- Cornwall Council's 2016 Site Allocations Development Plan Document (DPD) identifies Harbour Car Park (Site PZ-M1) as a site for mixed use development connecting the town centre and the waterfront
- Planning permission has been granted to convert Branwell's Mill in Station Street to a 61-bedroom Premier Inn, and
- The Council is currently developing proposals to reconfigure the road layout at the eastern gateway and improve the public realm.

6.1.7 The March 2017 Penzance Expo also showcased proposals for the regeneration of the Headland, "*a neglected area of the shoreline*", where the partners intend *"to create a leisure zone"*. Plans focus on site PZ-M2 (Coinagehall Street), future development of the Jubilee Pool and planned investment in the public realm.

6.1.8 In addition to these strategic gateway locations the Lavigne Lonsdale team's spatial analysis identified opportunities for change at a number of key sites and buildings, including those listed in the following section which were presented at the May 2017 workshop.

Part 2

Development Options

7.0 | MAY 2017 WORKSHOP & IDENTIFIED POTENTIAL SITES

7.0

7.0 May 2017 Workshop & Identified Potential Sites

7.1 May Workshop

7.1.1 In May 2017 the Lavigne Lonsdale team hosted two workshops which were attended by representatives of the Penzance Partnership, Cornwall Council, Cornwall & the Isles of Scilly LEP, local businesses and other partners (refer to Appendix A). The events provided an opportunity to review the consultants' baseline analysis and explore possible strategic responses to the challenges facing Penzance.

7.1.2 Every town is different, with a unique combination of assets and liabilities, opportunities and threats, but small towns like Penzance face some common challenges. Town centres throughout the UK which have been under severe pressure, squeezed by factors including the rapid rise of the online economy, changing lifestyles, personal mobility, and new retail, leisure and service delivery models.

7.1.3 At the workshop we discussed how these trends have played out in Penzance town centre. Town centres are always changing, shifting in response to social trends and market forces; some are better equipped than others to respond to change and capitalise on moments of opportunity. Some town centres have found new roles and market niches that have enabled them to thrive and prosper; instead of being the victims of change, the best town centres have reinvented themselves by mobilising the ideas and energy of the community, celebrating their heritage, distinctiveness and independent spirit, and building a culture of enterprise and creativity.

7.1.4 Those attending the workshops were keen to focus on the positive. Penzance has many valuable strengths and assets, and the consensus was that the town centre has been changing for the better in recent years. At the same time, it was acknowledged that the report card is mixed, with a number of persistent problems and areas in need of improvement (Figure 55).

7.1.5 This is a snapshot view and it does not pretend to be comprehensive. Planned developments including the restoration of an historic warehouse for a Premier Inn hotel next to the station, and the ambitious Headland/Coinage Hall proposals showcased at Penzance Expo 2017 have the potential to transform two high-profile sites close to the seafront, especially if they are complemented by investment in the public realm and traffic calming measures. These and other key locations are addressed in the community-led Penzance Neighbourhood Plan.

Strengths/assets	Weaknesses/liabilities
• Outstanding natural setting and views • Busy working harbour and shipyard • Many day visitors, especially at the summer peak • Rich architectural heritage and townscape • Regeneration of Chapel Street • Refurbished St John's Hall • Cultural venues (Penlee House, Morrab Library, Acorn Theatre, Savoy Cinema, Exchange Gallery) • Co-working/start-up space for creative/tech firms (PZ360, DPN, Abbey Warehouse) • Independent shops/cafes in Market Jew St North and secondary locations • Traditional pubs • Some high quality accommodation • Mainline railway station • Jubilee Pool • Parks and open spaces • Dense paths network • Arcadian residential streets • Active citizens/business leaders • Neighbourhood Plan process	• Disappointing arrival (Gateway/Harbour car park) • Unsightly high profile buildings (Market Jew St South/ Causewayhead) • Breakdown of the urban fabric in the Market Jew Street backlands • High vacancy levels in prime retail locations (Market Jew St South) • Mixed quality of food, drink and accommodation offer • Poor record of converting day visits into overnight stays • Vacant upper floors above shops • Surface parking diminishes urban fabric • Beach erosion (Penzance Promenade)

Figure 55: **Penzance Town Centre: The Report Card**

7.1.6 Our conclusion is that Penzance is already an interesting and appealing town centre. The retail, cultural, food and leisure offer is uneven, but good for a town of its size, and it is a place with a strong and distinctive character. At the same time, we agree with the local partners that the town centre is a long way from fulfilling its potential. Some key data confirm this observation. Truro dominates Cornwall's retail hierarchy in terms of floorspace, representation of quality brands, industry rankings and, especially, rental values. Penzance is one of a cluster of four town centres (the others are Newquay, St Austell and Falmouth) that form a distant second tier (see Figure 56).

City/town centre	Total floorspace (sq m)	VenueScore Ranking 2010
Truro	76,984	147
Penzance	45,885	373
Newquay	39,874	558
St Austell	37,586	481
Falmouth	37,068	366
Camborne	31,020	650
Helston	27,323	868
Redruth	22,919	1,247
Bodmin	22,120	747
Bude	21,033	1,452
St Ives	17,503	1,247
Launceston	15,701	1,192

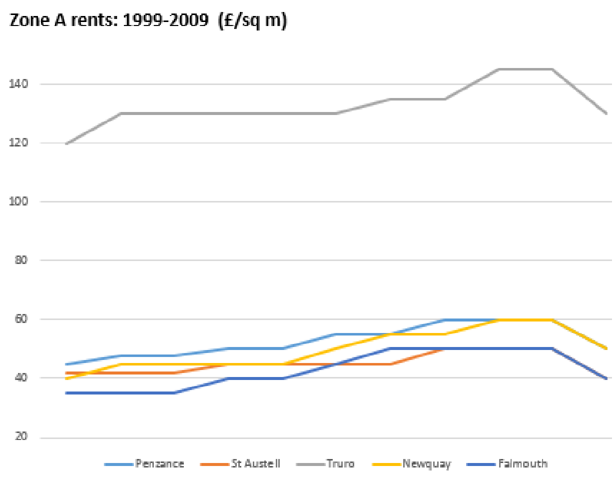


Figure 56: *Key retail data: Cornwall*
Source: GVA Bilfinger, GOAD, VenueScore

7.1.7 Tourism statistics show that Penzance is one of the six most visited towns in Cornwall but compared to, for example, Newquay, Padstow and St Ives it has a poor record of converting day visits into overnight stays. This is reflected in low levels of per capita visitor expenditure.

7.1.8 These figures act as an indicator of the attractiveness of Penzance to visitors, including residents of the wider West Cornwall area. They suggest something important about visitors' first impressions of the town, especially the disappointing eastern approach which is dominated by traffic and parking. They also suggest that the town's amenities (with some notable exceptions) are not meeting the needs and expectations of discerning visitors. They are consistent with the Lavigne Lonsdale team's observation that the town centre has many interesting and attractive features but it may take time for a visitor to discover them.

7.1.9 Whilst the aim of this study is not to resolve all the issues related to improving the town centre for visitors or residents, the potential sites that we have identified do assist in resolving some of these inherent issues.

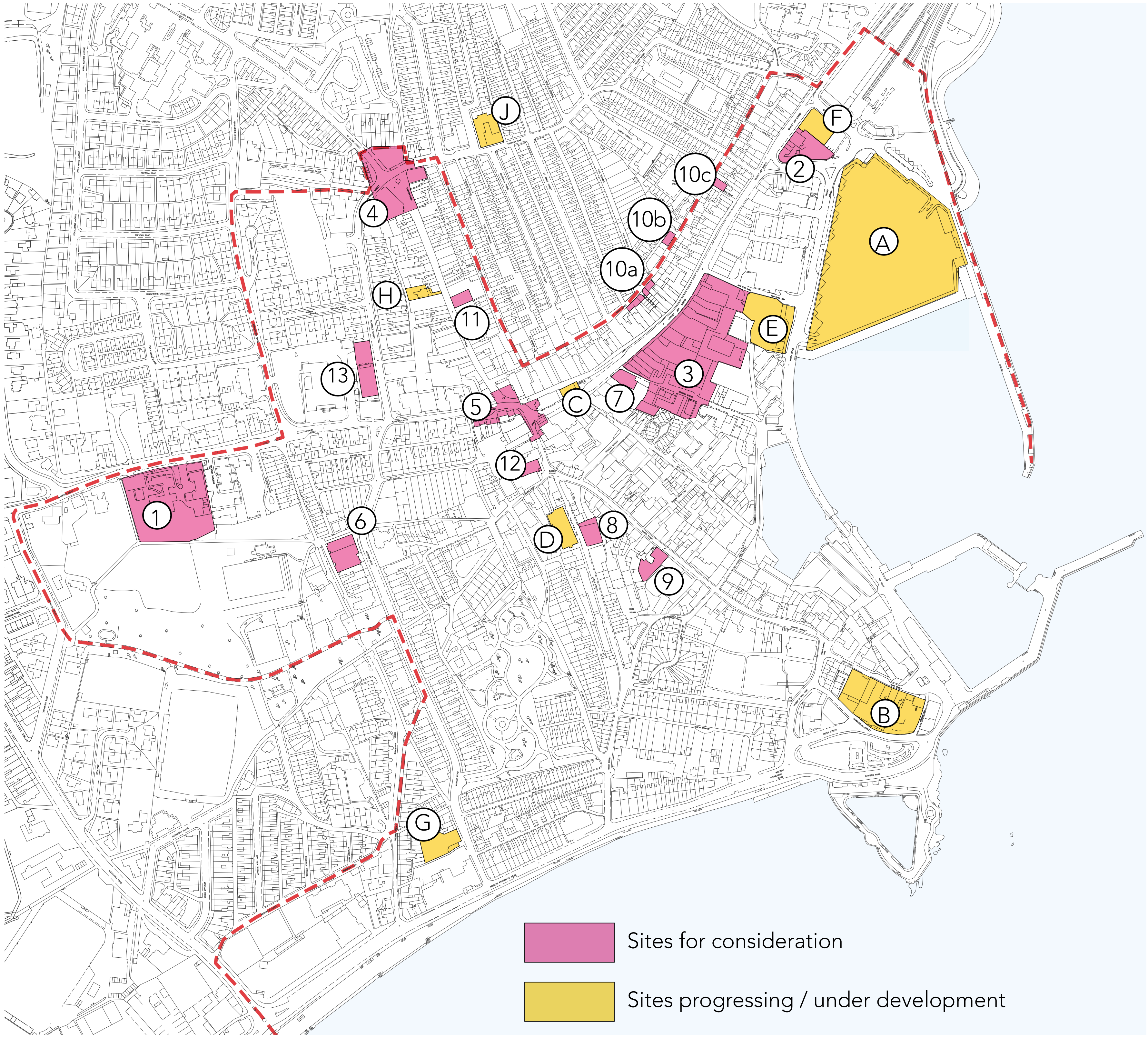
7.2 Potential Sites :

7.2.1 Figure 57 shows the location of both the sites that the Council / PZRB and independent developers are looking at for future development (in yellow) and sites that the team have considered for future development in association with this study.

7.2.2 The sites range from ;

- Strategic sites (Bellair , Penzance Eastern Gateway, Market Jew Street Backlands),
- Public realm and opportunity sites (Causewayhead north and south, The Old Library, The Post Office) and;
- Other existing shops or smaller buildings that could be identified for either regeneration or a change in use.

7.2.3 These sites represented a long list of potential strategic locations, opportunity and place making sites that could make a difference in the regeneration of the town centre.



Strategic Locations

1. Bellair Health Clinic
2. Penzance Gateway
3. Market Jew St Backlands

A. Wharf Road/ Harbour
B. Coinagehall Street
C. Market House

Public Realm/ Opportunity Sites

4. Causeway Head North
5. Causeway Head South

Opportunity Sites

6. The Old Library & Arts Schools
7. The Old Post Office
8. Queen Street
9. Ganges Restaurant

10a. Bread Street
10b. Bread Street
10c. Bread Street

D. The Ritz
E. Churchill
F. Premier Inn
G. Trelawny's Garage
H. Savoy Cinema
J. St Pauls Old School

Adaptable Retail

11. Causeway Head
12. Chapel Street

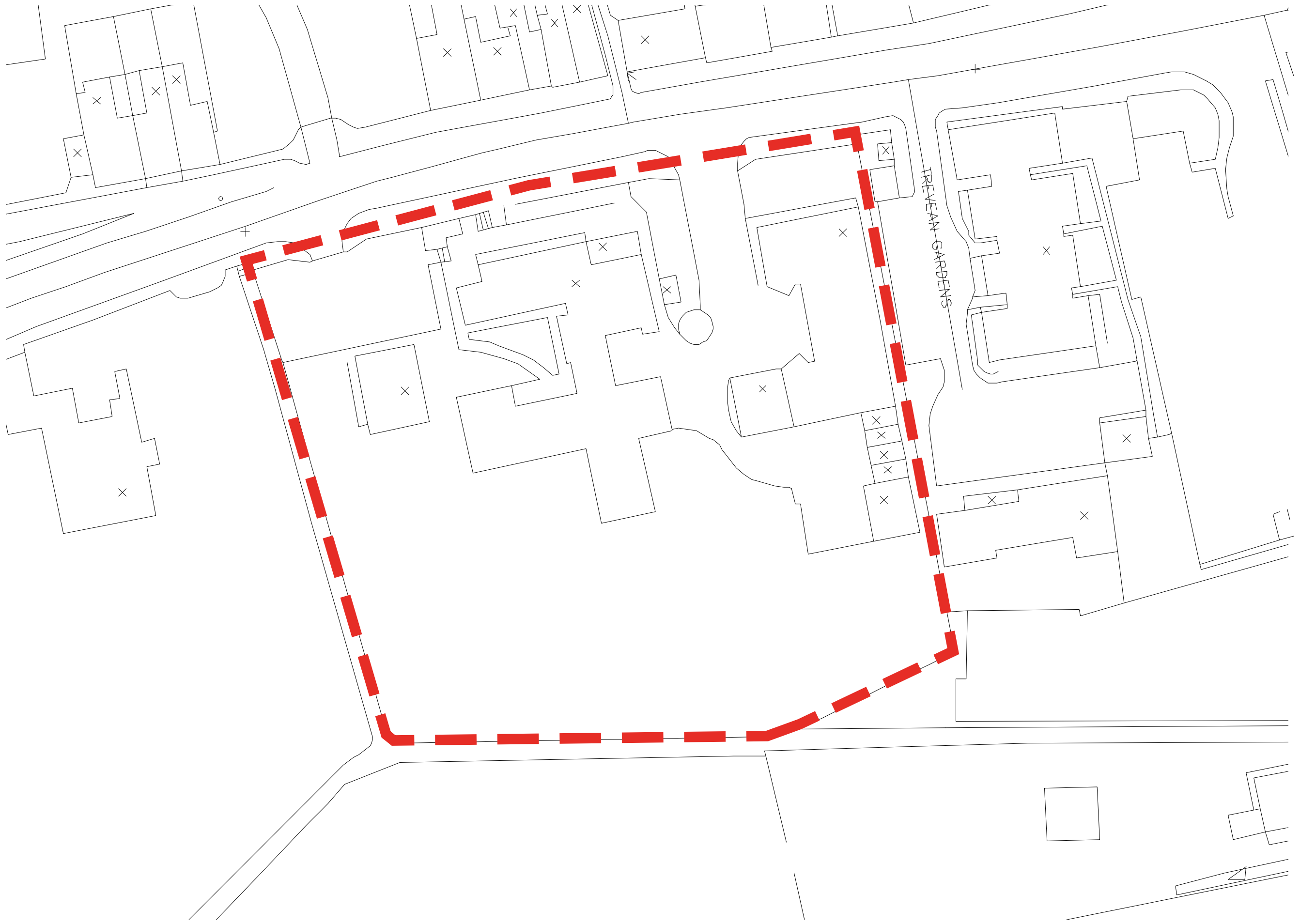
Figure 57: **Identified sites for future development**

STRATEGIC SITES

1. Bellair Health Clinic

Location: Bellair Health Office
Alverton Terrace

Use: Community Care
District nurses & midwives, health visitors, dentists & physiotherapy
Partially empty space



What are the benefits of development?

- Maximise development on site
- Increase high quality housing provision
- Provide high quality, large floor plate, flexible employment space. This is based on a Krowji (Creative Industries) development mix requiring 20,000 sq ft of GROSS space
- Allow for on site parking for both employment and residential with additional parking in Penlee park
- Provide a more attractive and contextual street frontage to Alverton Road
- Unique selling point with views over the park

Why this site?

- NHS property services could be looking to sell the site. It is in a prime location close to the Town Centre making it a great site for potential development.

What are the issues?

- Unattractive clinic building
- Unsuitable for refurbishment/ alternative use
- Poor use of site in terms of footprint and layout

7.0

Accommodation Totals:

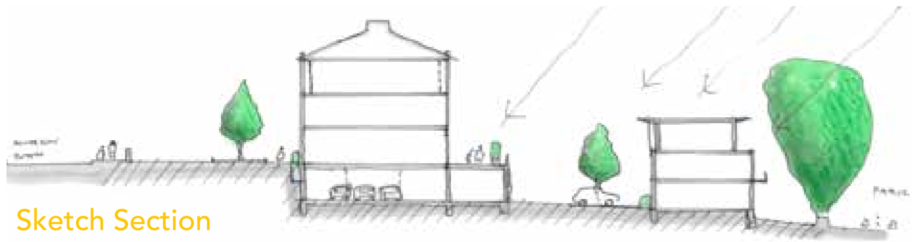
Residential:

4 x 1 bed apartments

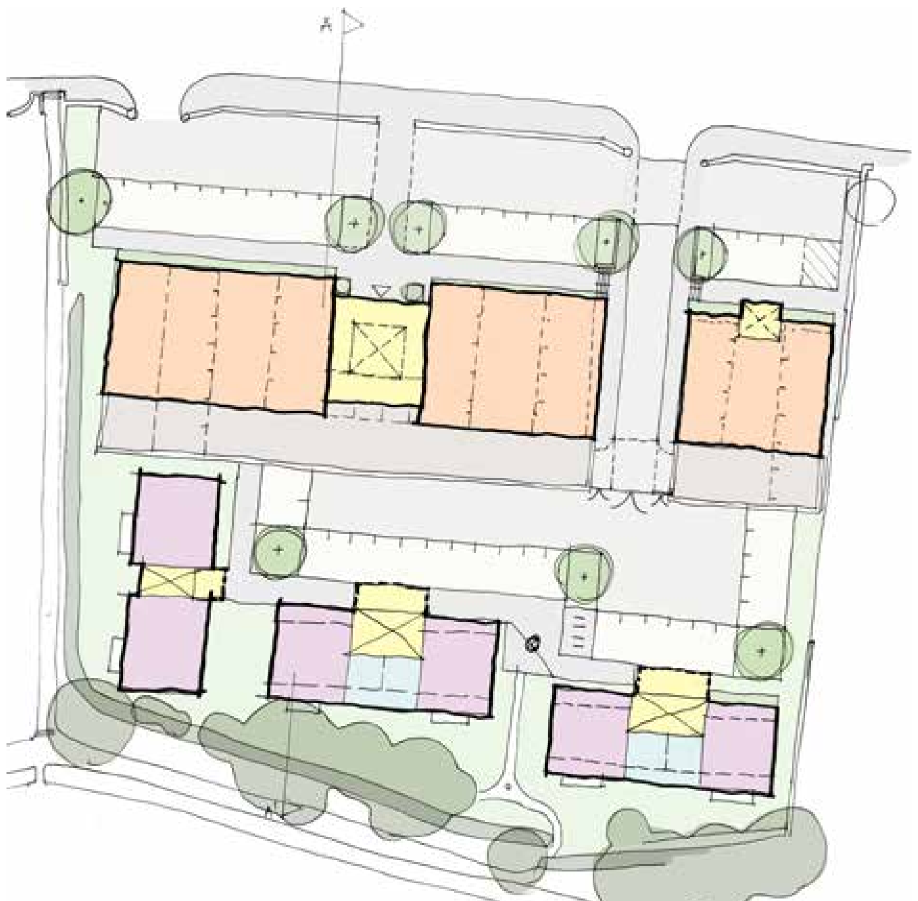
18 x 2 bed apartments

Employment:

2,607m² / 2,8000 sqft



Sketch Section



Site Plan

2. Penzance Gateway

Location : 28 & 29 Market Place

Uses : Vacant plots
: Vacant buildings
: Retail
: Commercial

Why this site?

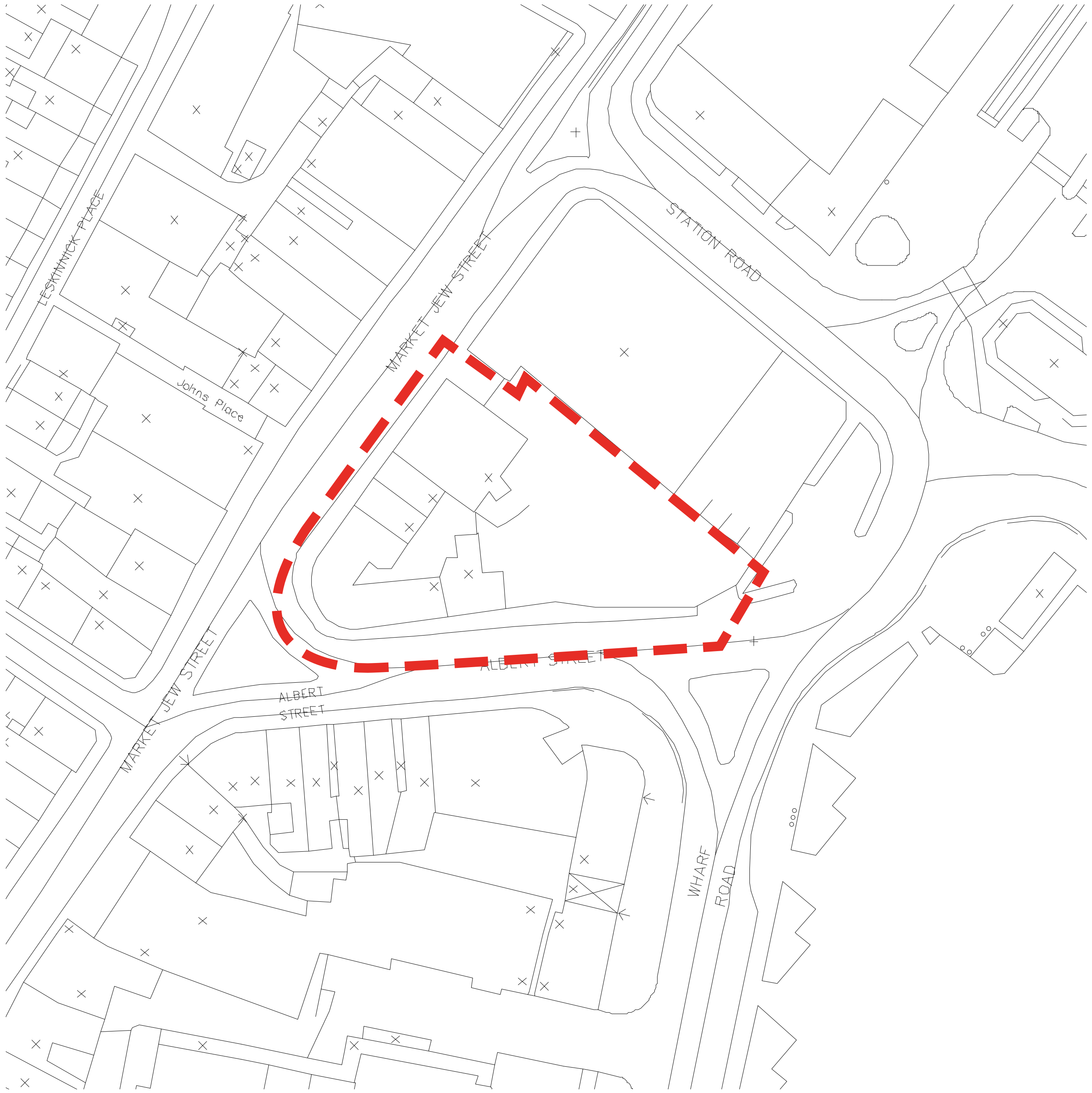
- It is the gateway into Penzance.
- It is a transport hub and arrival point by train, bus and car.
- It is one of the few points close to the town centre where you get views out to the bay.

What are the issues?

- Unattractive gateway site into Penzance.
- Highway/ traffic dominated environment- it is essentially a giant roundabout.
- Very poor pedestrian connections from the railway and bus station onto Market Jew Street.
- Site is divorced from the main shopping street by inappropriate and excessive highway land.
- The existing urban 'block' is poorly defined on the waterside.
- Limited parking/ drop off for retail

What are the benefits of development?

- Improve and enhance the gateway to Penzance
- Re-create the 'streets' on Market Jew Street and Albert Street which are pedestrian friendly and allow for on street parking (short stay but with all night parking to support local buisness's (including Premier Inn)
- Increase the amount of development overlooking the bay and define the 'block'/ Albert Street frontage. This will increase footfall and activity in the centre.
- Improve the pedestrian routes from the railway and bus station into the town centre.
- Reinforce and support the Premier Inn proposal.



Proposal Description

1. Re-configure the highway network to remove the gyratory system around the site. Make a two-way street along the waterfront.

2. Provide improved routes for pedestrians from the railway station and bus station to get them into the town centre via Albert Street and the Wharf shopping centre more directly. Also helps to improve the access to the new Premier Inn.

3. Change the character of Albert Street into a pedestrian friendly and more attractive environment but maintaining vehicle access and on street parking to help support local business's.

4. Create a 'gateway' entrance at the bottom of Market Jew Street and change the character from a wide and busy road into a 'street' with wider footpaths and on street parking to help support local shops and business's.

5. Re-develop the Automotive parts site for ground floor commercial and residential above. Allow for rear access into the block.

6. Complete the urban block by extending the built development with residential (apartments) overlooking the harbour (south facing) with some potential additional ground floor leisure (cafes).

7.0

3. Market Jew Street Backlands

Location : South side of Market Jew Street

Uses : vacant plots
: vacant buildings

Why this site?

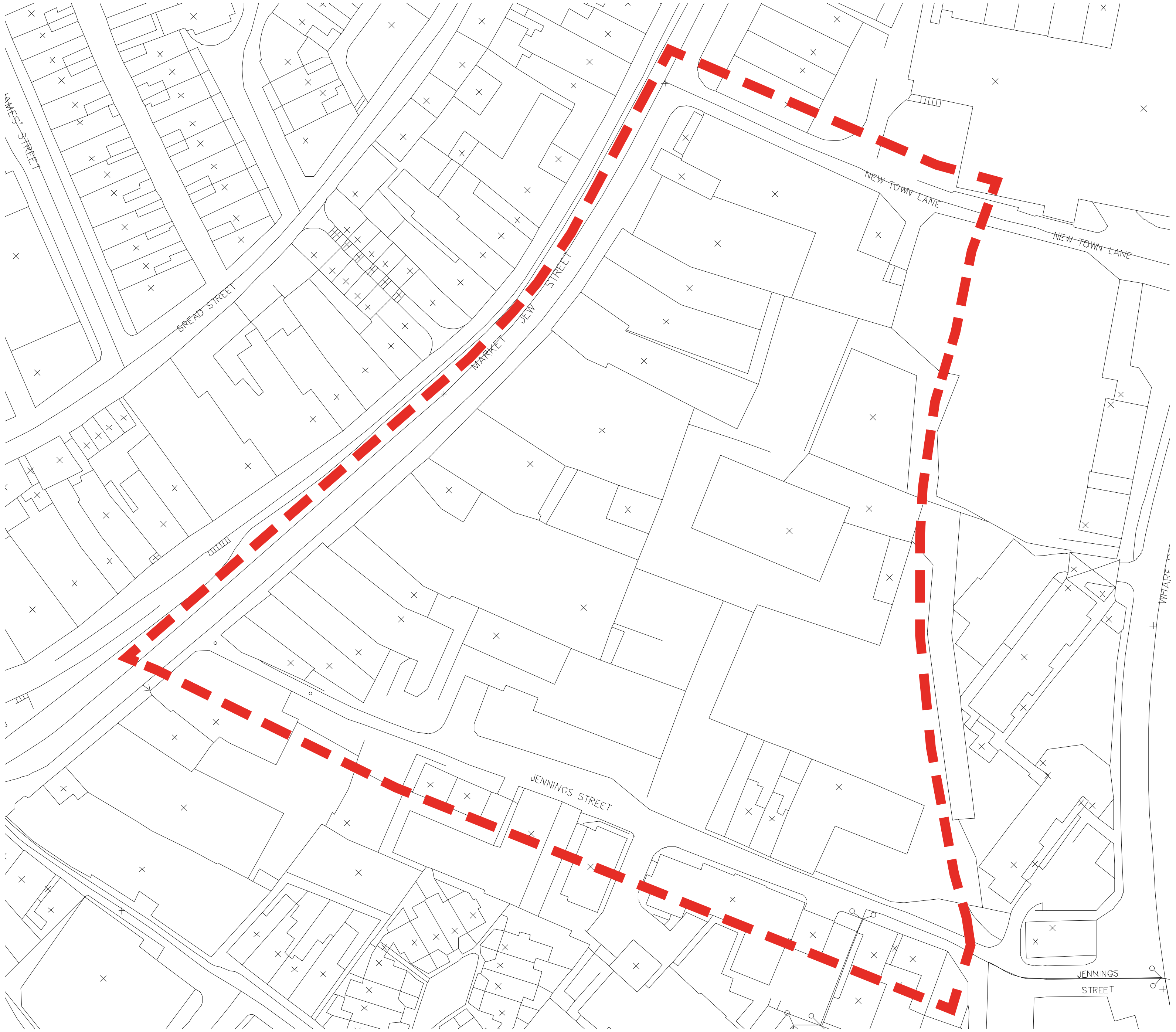
The Backlands to Market Jew Street and the adjoining streets (Jennings and New Town) are poor in quality and have been degraded over time.

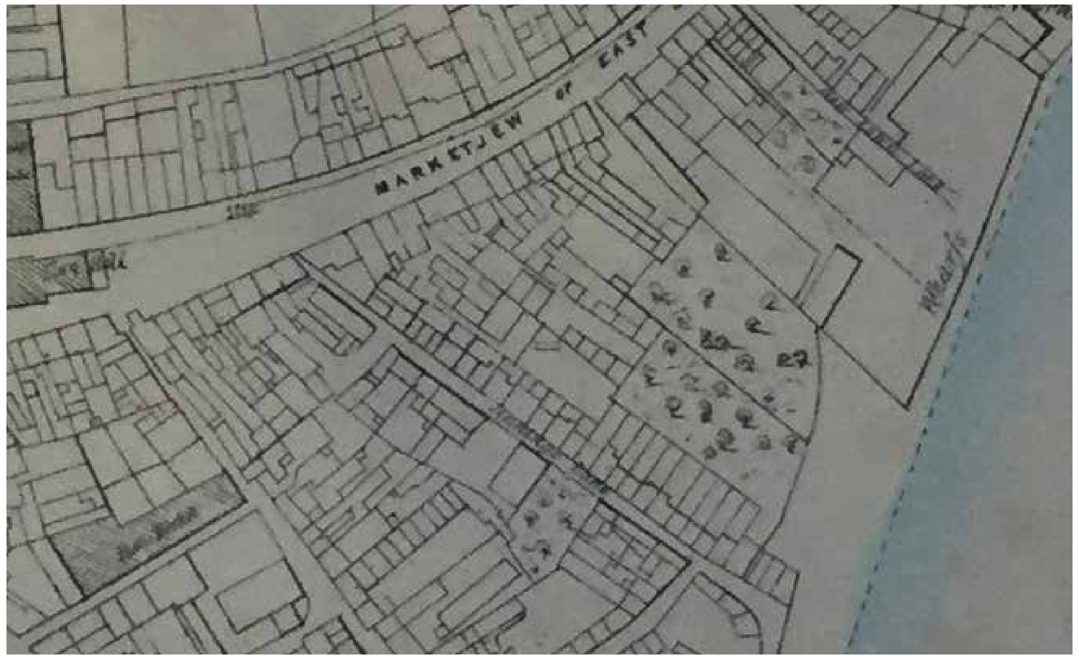
What are the issues?

- Poor links betweeen Market Jew Street and the waterfront
- Existing state of the Backlands, Jennings Street and New Town Lane is poor with very little ‘use’.

What are the benefits of development?

- Improve and restore the inherent historic links between the Town Centre and the waterside
- Maximise the site potential for development
- Possible views out over Mounts Bay
- Devloping housing within the centre of the Town


NEW TOWN LANE
NEW TOWN LANE
BREAD STREET
MARKET JEW STREET
JENNINGS STREET
JENNINGS STREET



Scenario 1

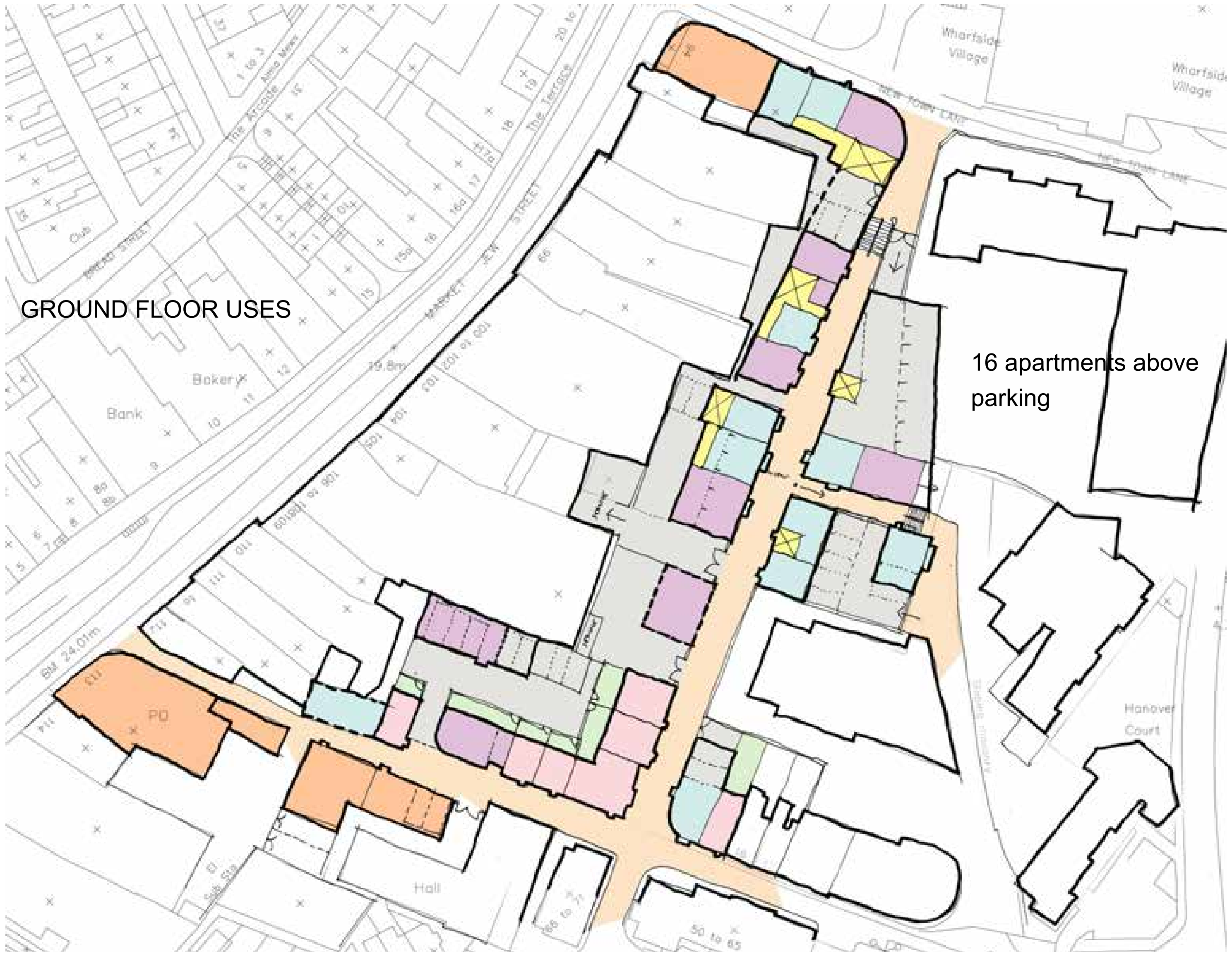
1. Re-define Jenning Street and New Town Street as an attractive routes from the town centre to Wharf Road with active frontages and mixed uses.

2. Maximise the uses on the backland areas to help create a new link between Jenning Street and New Town lane. Create high density residential uses that utilise the views over the bay- this will help to create increased footfall in the town centre.

3. Create additional pedestrian links if possible to help create maximum permeability which is a feature of Penzance.

Accommodation:

Apartments	=	33 x 1 bed 27 x 2 bed 2 x 3 bed
Houses	=	4 x 2 bed 3 x 3 bed
Commercial	=	1,100m2 / 11,840 sqft



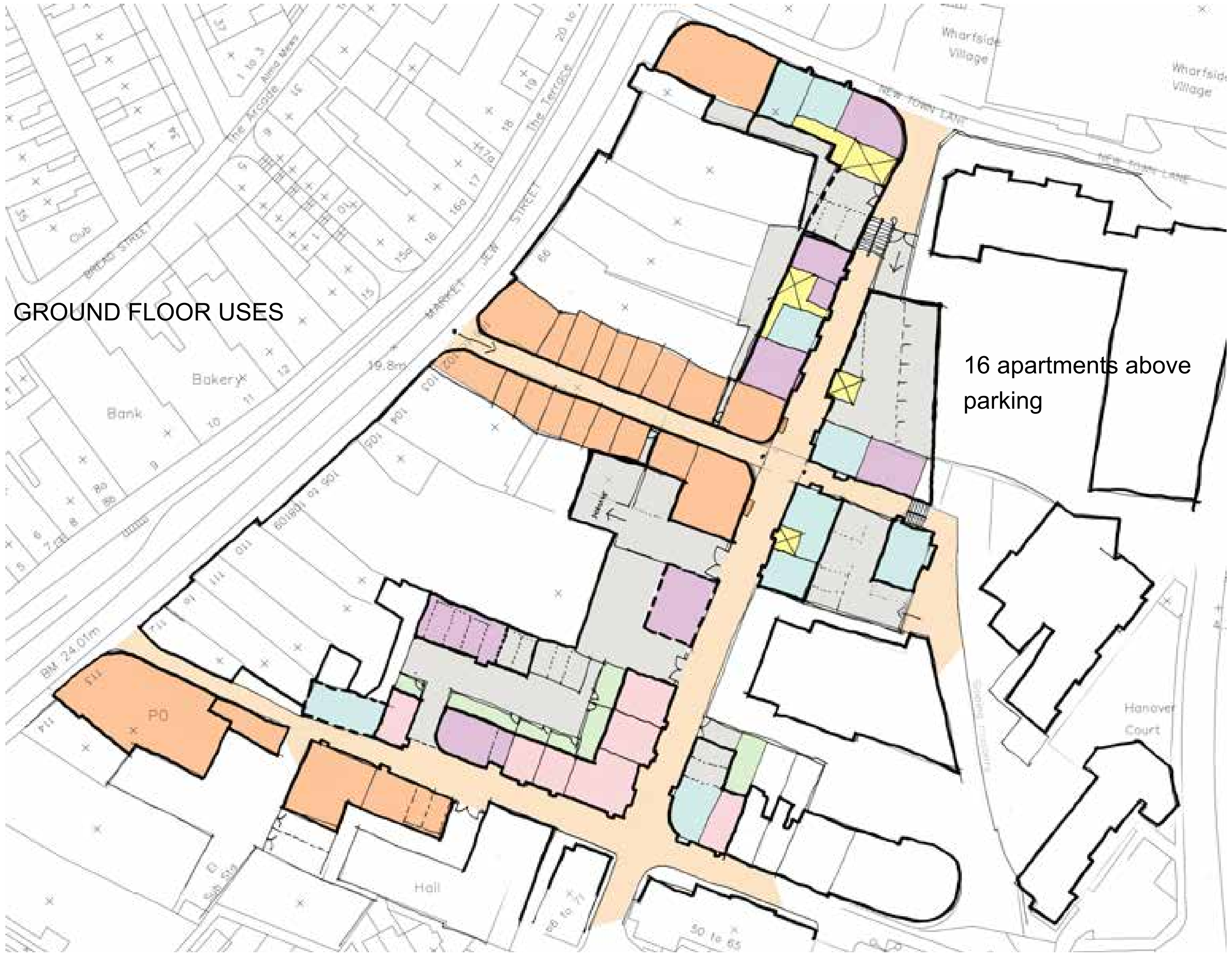
Commercial
1 bed apartments
2 bed apartments
2 /3 bed houses /mews
Shared Street
Courtyard / parking
Garden space

Scenario 2:

1. Introduce a connection onto Market Jew Street to allow for potential views across the bay. The negative of this option is that it increases the amount of potential retail as you need frontage development along the street. This could be commercial/ residential but the units are compromised.

Accommodation:

Apartments	=	27 x 1 bed
		24 x 2 bed
		2 x 3 bed
Houses	=	4 x 2 bed
		3 x 3 bed
Commercial / retail	=	2,790m^2 / 30,030 sqft



Commercial
1 bed apartments
2 bed apartments
2 /3 bed houses /mews
Shared Street
Courtyard / parking
Garden space

PUBLIC REALM / OPPORTUNITY SITES

4. Causeway Head North

Location : Top of Causeway Head
: Gateway into town centre

Ownership : Car Parks owned by Cornwall Council

Use : Car Park / Commercial / Retail

Why this site?

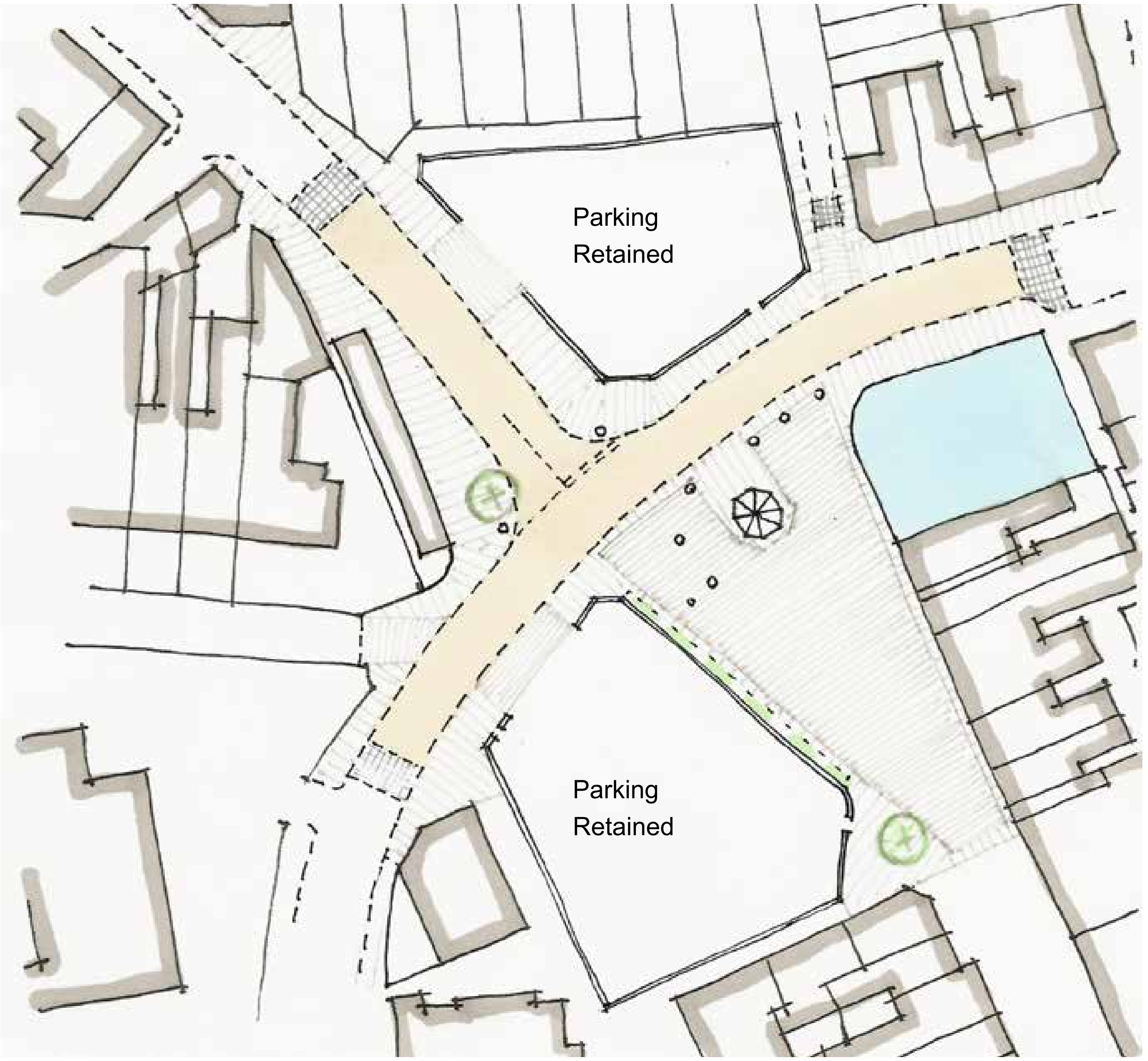
- Causeway head forms one of the main gateways into the town centre and provides useful connections to the college and surrounding residential areas
- Best of the larger identified sites on which a cluster of workspace can be developed

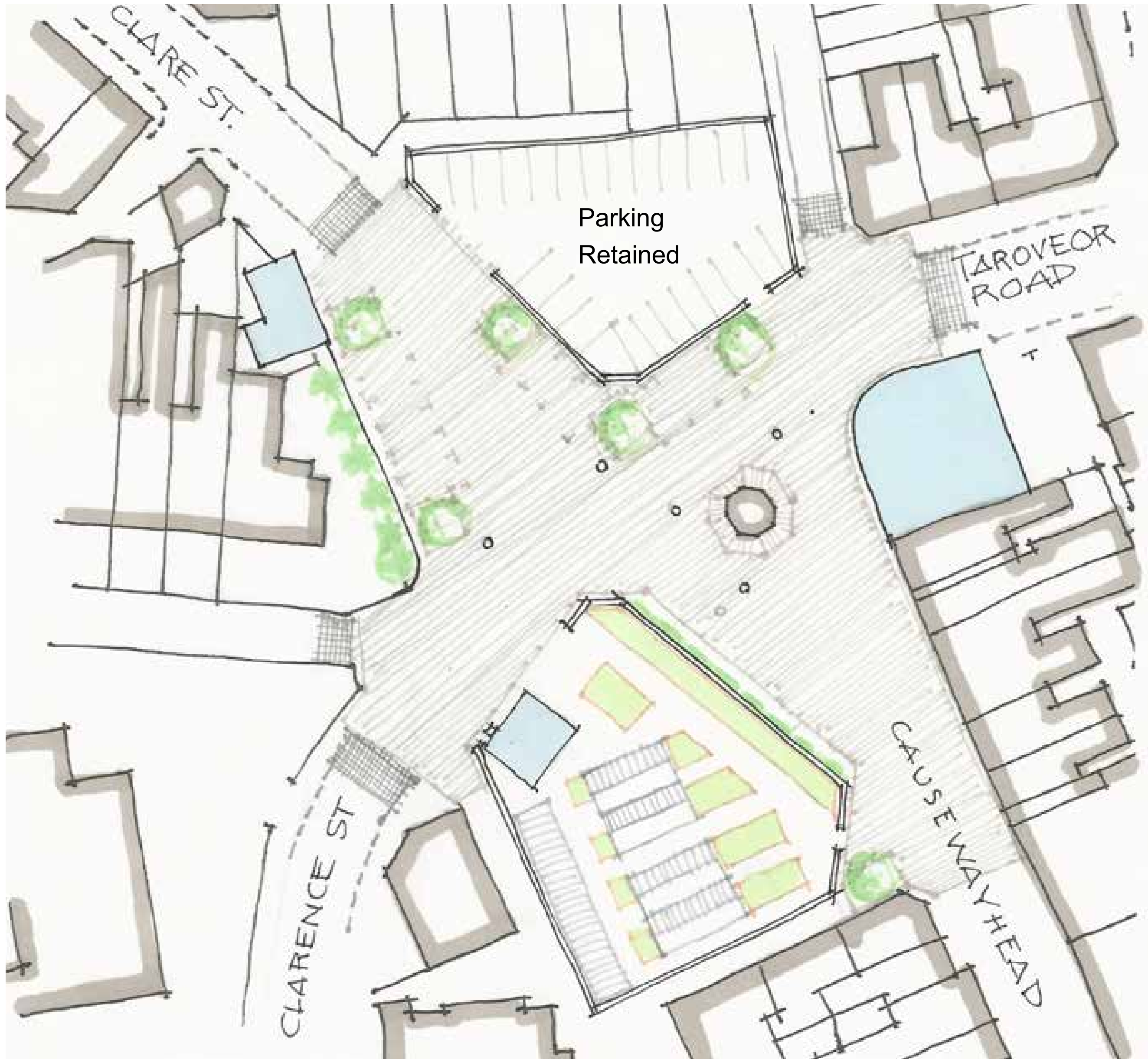
What are the issues?

- Fast flowing road traffic dominates the area
- Doesn't feel like the gateway to the town centre
- The car parks make in-efficient use of the old cattle market sites although parking close to the town centre is important.
- Pedestrian flow into Causeway Head is disjointed and difficult due to the road network
- Untidy, low quality and vacant shop fronts make for an unattractive entrance to the centre

What are the benefits of development?

- Pedestrians having priority will provide natural traffic calming and improve access to the town centre
- Retention of car park space maintains easy access to high street for shoppers and provides a source of income for the council
- Enhance the appearance as a 'gateway' into Causewayhead- celebrate the town centre!
- Creative cluster within the Town Centre



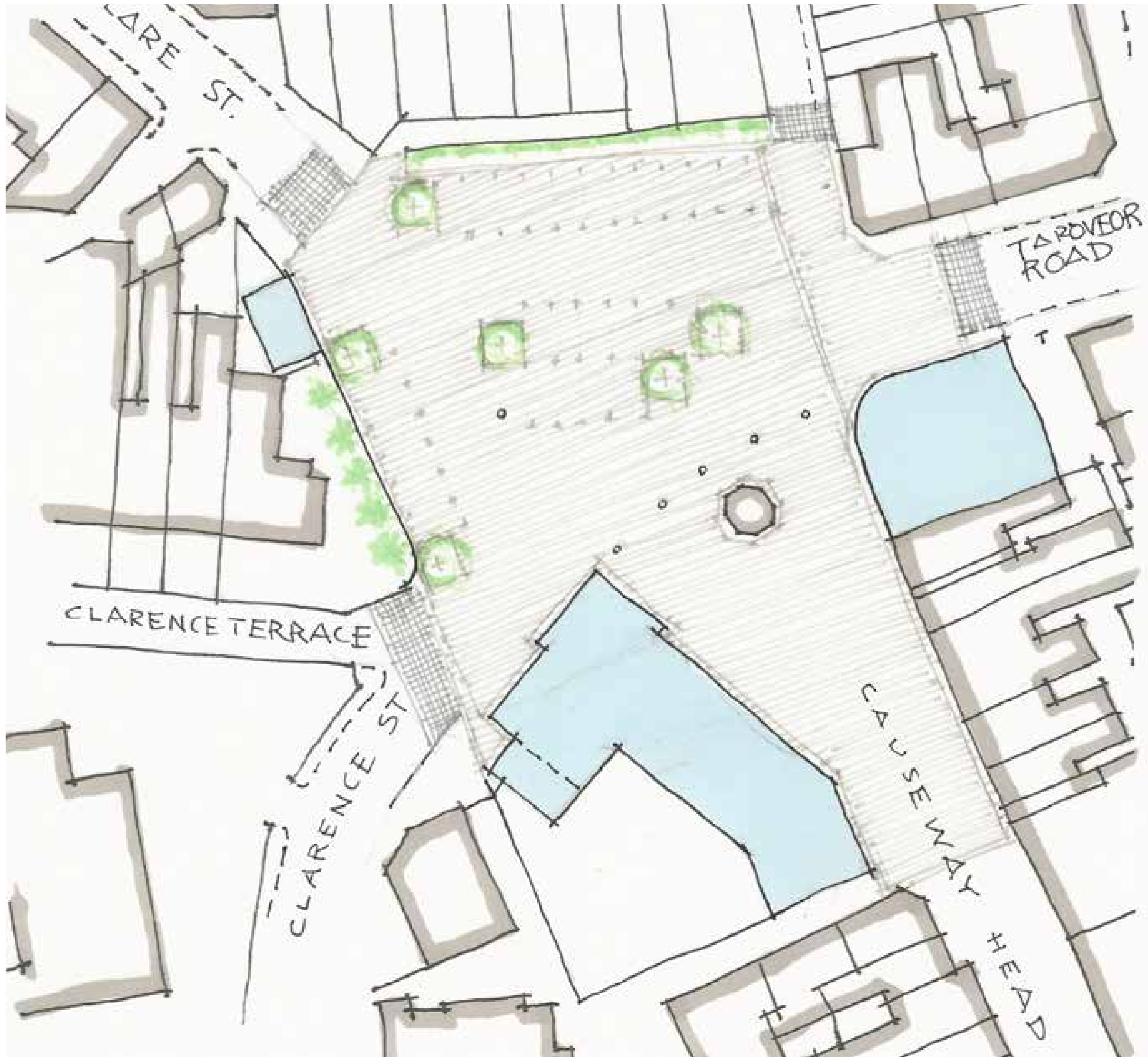


Option 1 looks at making subtle changes to the existing fabric with the following proposed:

- A new retail unit to create active frontage onto the market space and provide a more 'welcoming' feel to the Town Centre.
- Tightening of the road junction to slow the traffic down.
- A resin bonded raised table has been suggested to promote pedestrian flow into the top of Causeway Head.
- Tree planting to help soften up what is a predominantly a 'hardscaped' zone.

Option 2 explores a slightly more adventurous approach, proposing the following:

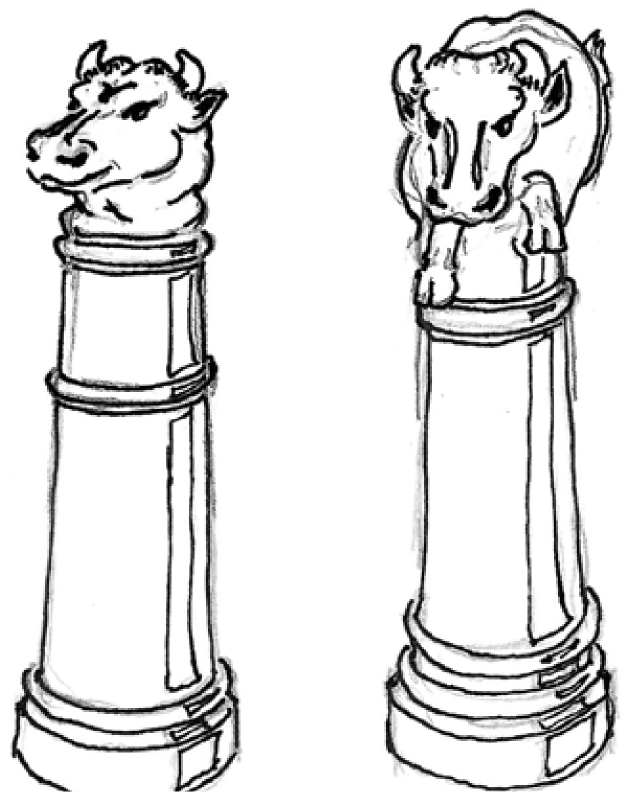
- A new retail unit to create active frontage onto the market space and provide a more 'welcoming' feel to the Town Centre.
- 'Shared space' design to significantly reduce traffic speeds and create an attractive 'market' square.
- Retain existing car parks (option to soften with planting).
- Tree planting to help soften up what is a predominantly a 'hardscaped' zone.



Option 3 expands upon option 2 and takes a more radical approach to the redesign of the area proposing the following:

- A new retail unit to create active frontage onto the market space and provide a more 'welcoming' feel to the Town Centre and enhance the 'funnel' effect and gateway.
- Removal of the existing car parks and reconfiguring a 'Shared space' / arrival 'square' design to significantly reduce traffic speeds including integral parking spaces.
- Tree planting to help soften up what is a predominantly a 'hardscaped' zone.
- A new attractive 2 storey unit rebuilt to enhance the character area

There is the opportunity to install a 'gateway' sign at the top of Causeway Head to signify entry into the Town Centre and draw pedestrians in.



The bollards in the options could have a unique design to enhance the character of the place, providing a playful historic reference to the old cattle market.

5. Causeway Head South

Location : South corner of Casuewayhead

Use : GF - Lou's shoes
GF - vacant betting shop
FF & SF - vacant offices for rent

Why this site?

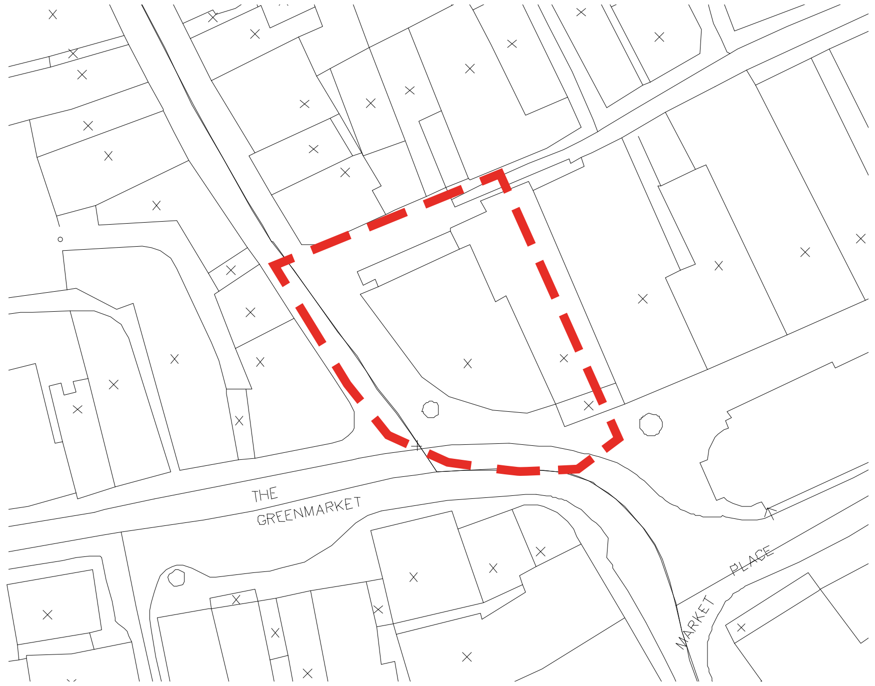
- The current building is unattractive and is right at the heart of the Town Centre.
- The public realm around this site is dominated by road traffic. Development could provide opportunity to enhance the entrance to Causeway Head and to improve the public realm, linking with the top of Market Jew Street, Greenway and Chapel Street.

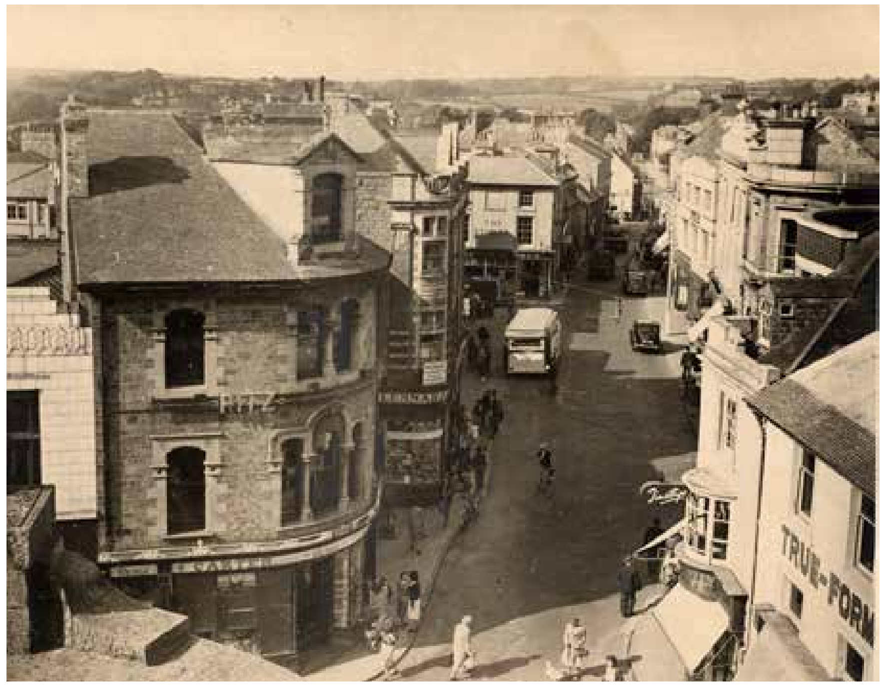
What are the issues?

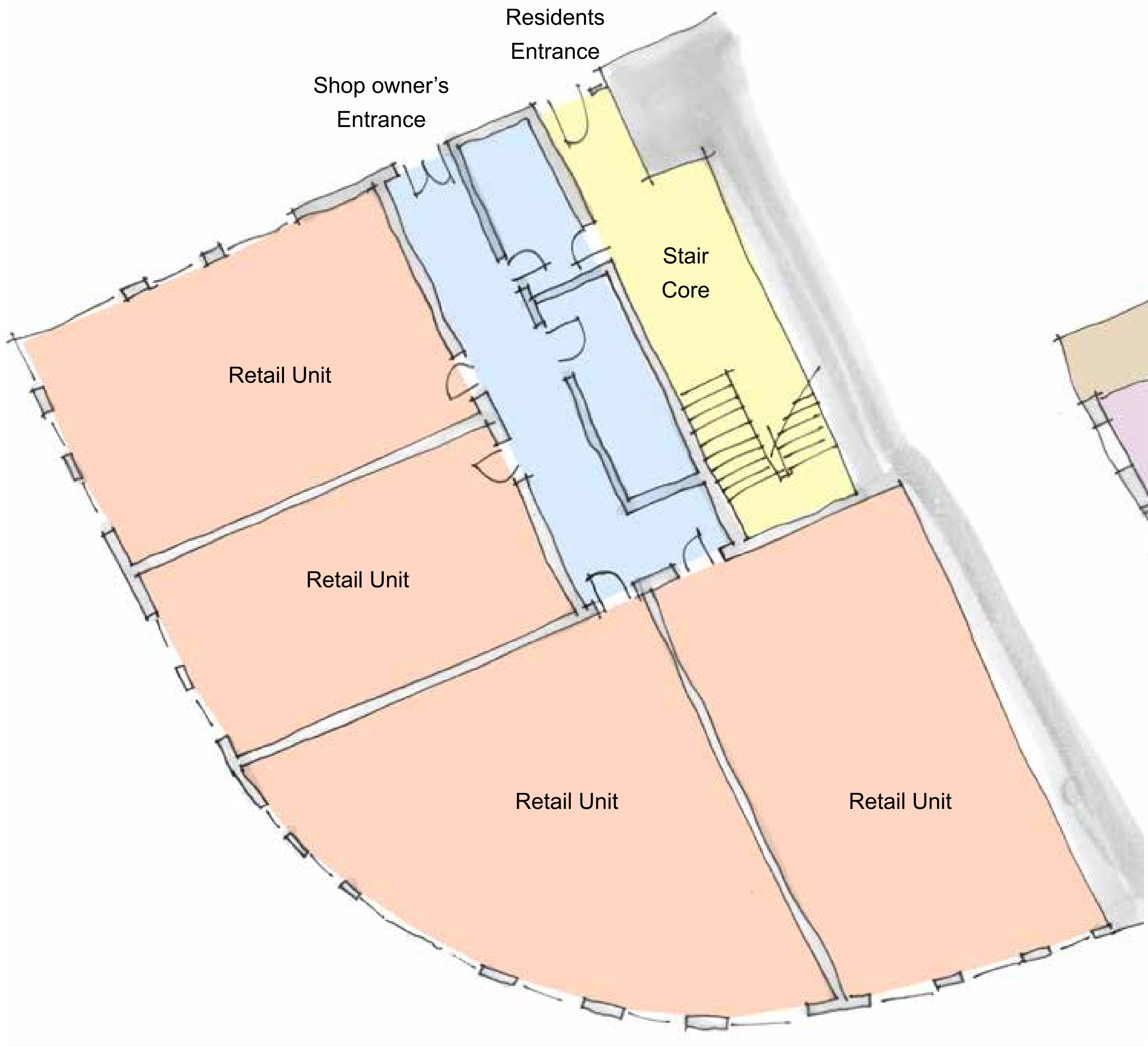
- Road traffic dominates the area.
- Unattractive building for such a prominent site.

What are the benefits of development?

- Pedestrians having priority will provide natural traffic calming and improve access to the town centre.
- Improve the shop frontage and aesthetic of the area - repairing the character and responding to the historical grain.
- Improve pedestrian flow through the heart of the Town.
- Increase the building footprint and height to maximise the location whilst helping to repair the public realm.







Ground Floor Plan

First & Second Floor Plan

OPPORTUNITY SITES

6. The Old Library & Arts School

Location : Penzance School of Art, Morrab Road

Ownership : Truro & Penwith College

Use : Vacant

Why this site?

Truro & Penwith college are looking to develop part of their arts school, which is currently vacant. As a result this sit e could provide a prime opportunity to convert into employment space to support new and existing businesses.

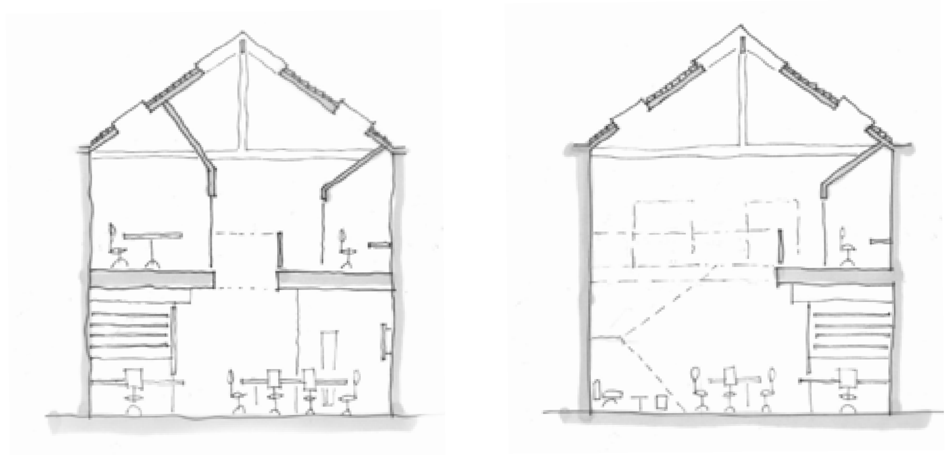
What are the issues?

- No designated allocated parking
- Potentially confined by the existing fabric and layout of the building
- Entrance needs defining
- Poor natural light on the ground floor
- Consider options to show a minimal input (Option 1) , moderate input (Option 2) and a higher quality (Option 3)

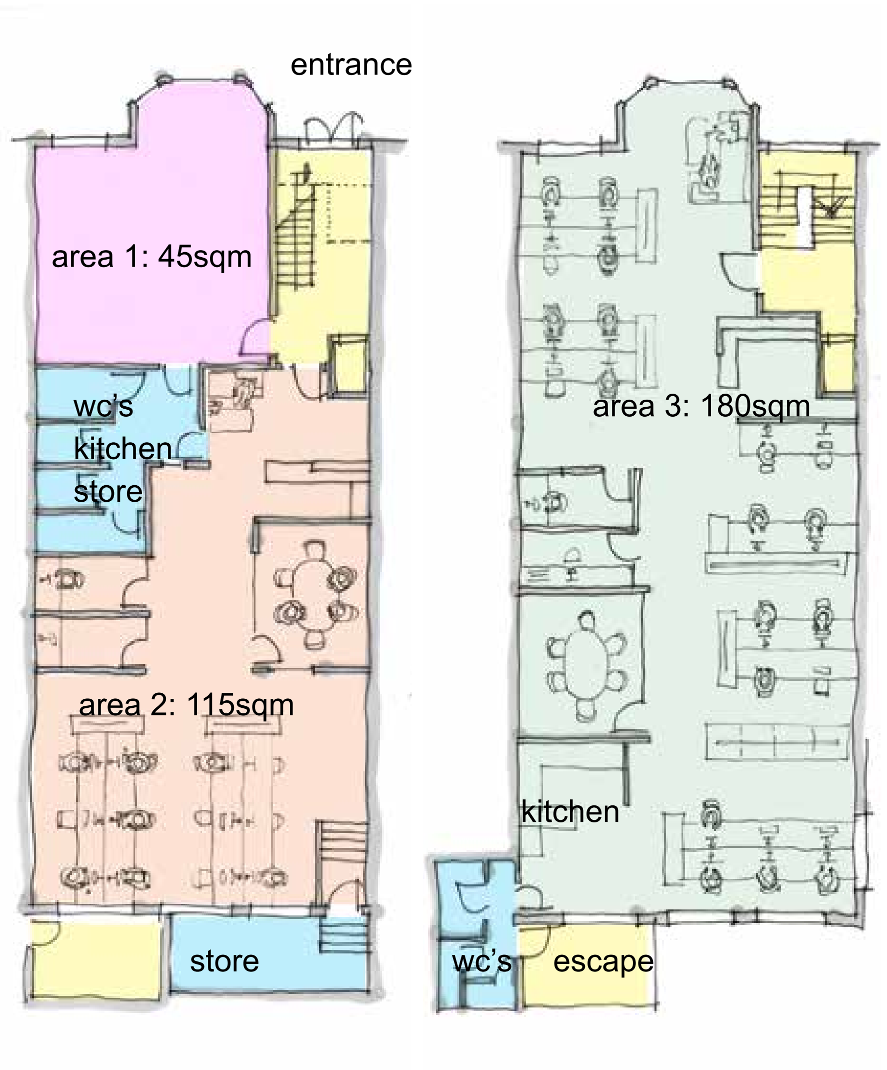
What are the benefits of development?

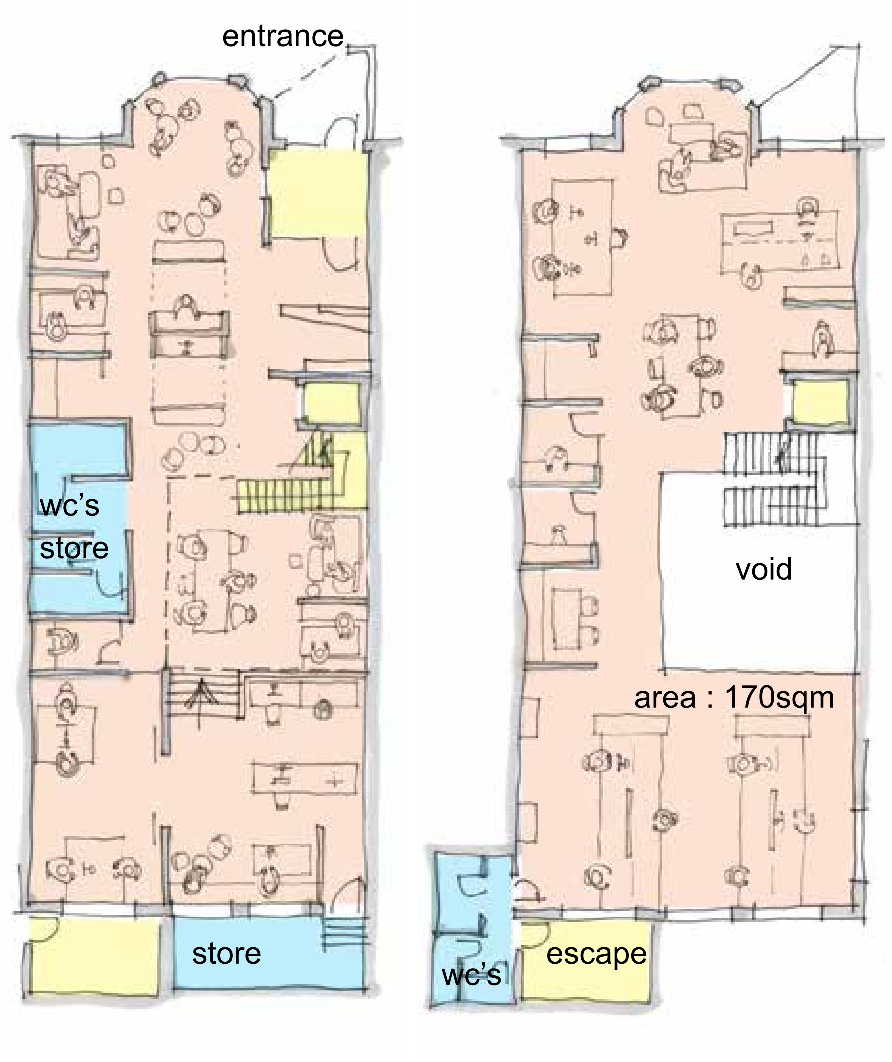
- Provide new flexible employment space with large footprints
- Close to the centre of Penzance
- Can be a purpose built development with numerous design iterations available to best suit the future user's needs
- Could provide a useful creative hub for start up businesses looking to establish themselves within Penzance
- A modernised employment space would be far more attractive than old run down office spaces that may be available and doesn't offer the flexibility required
- Existing glazing is large and expansive providing light and airy office space internally on the first floor- potential atrium will help light into the darker ground floor spaces

7.0



Sketch Sections





Option 1: Low cost option

Flexible accommodation can be subdivided into numerous options depending on potential activities.

Option 2 : Medium cost option

Option 3 : Higher cost option

Allow for a void/ atrium and relocated stair core to maximise light.

7. The Old Post Office

Location : 113 Market Jew Street

Ownership : Post Office Estate

Use : Vacant - previous Post Office with residential accommodation on the upper floors

Why this site?

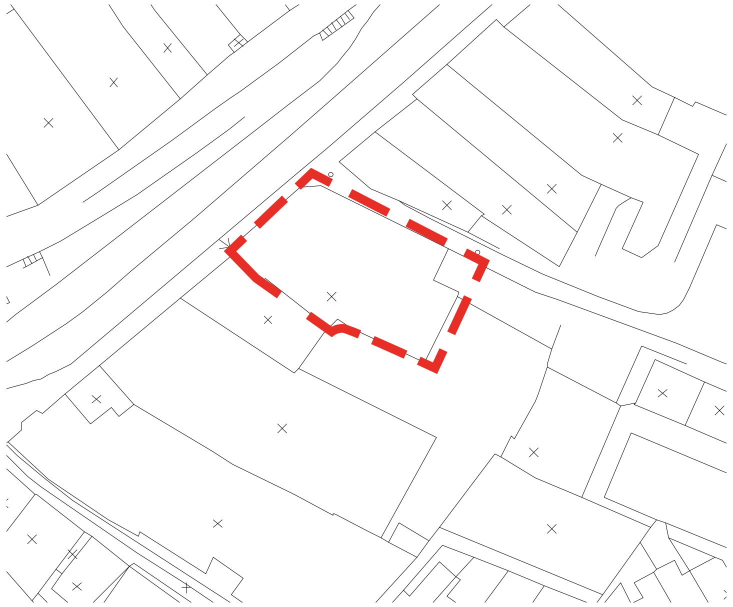
Currently vacant site

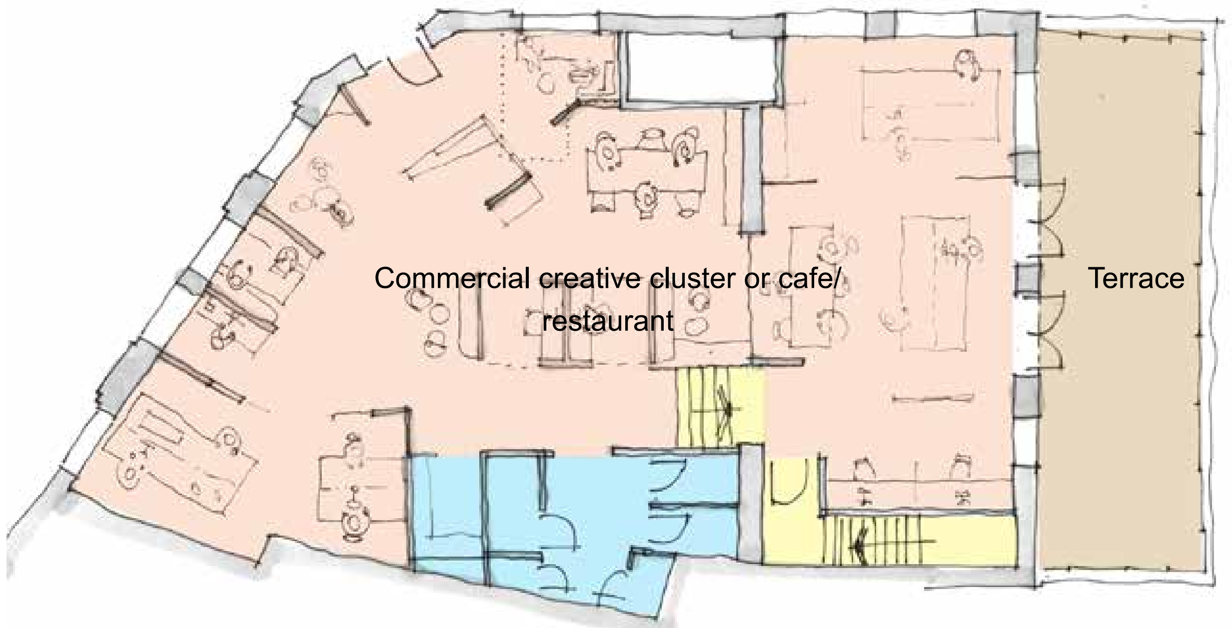
What are the issues?

- Prominent and attractive historic building on a key high street site
- Untidy and vacant shop fronts make for an unattractive street scene
- key pedestrian access route to the sea front
- tight site constraints

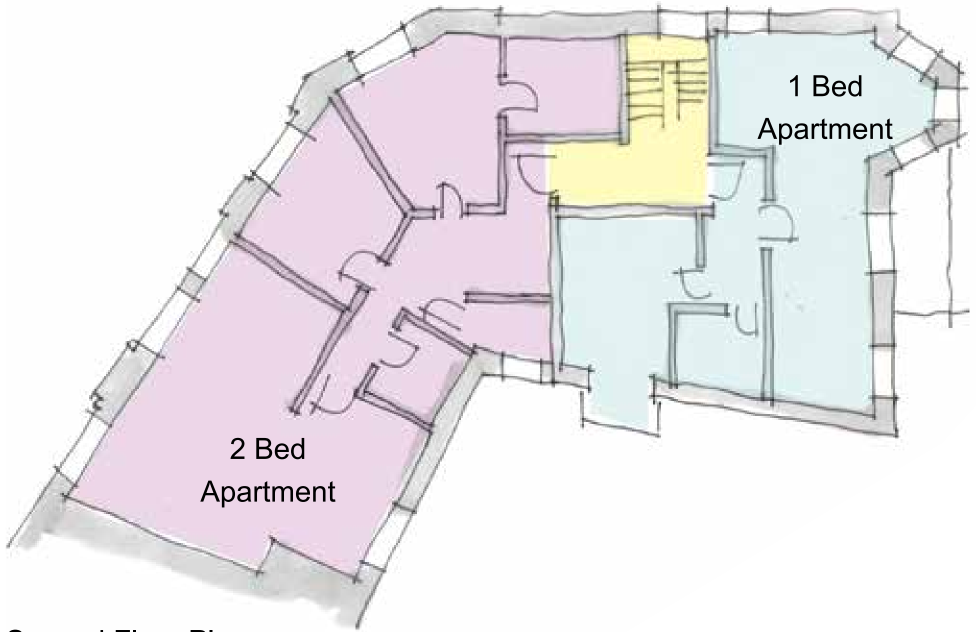
What are the benefits of development?

- The building already has both commercial and residential use's
- Building appears in good condition
- Easily adaptable as ground floor already open plan, with residential apartments
- Prominent views out to St Michaeal Mount from the upper floor
- Ground floor, mezzanine and basement could be utilised as either office space or a restaurant
- potential flexible use- creative employment cluster (architects/ structural enginners etc) with residential above

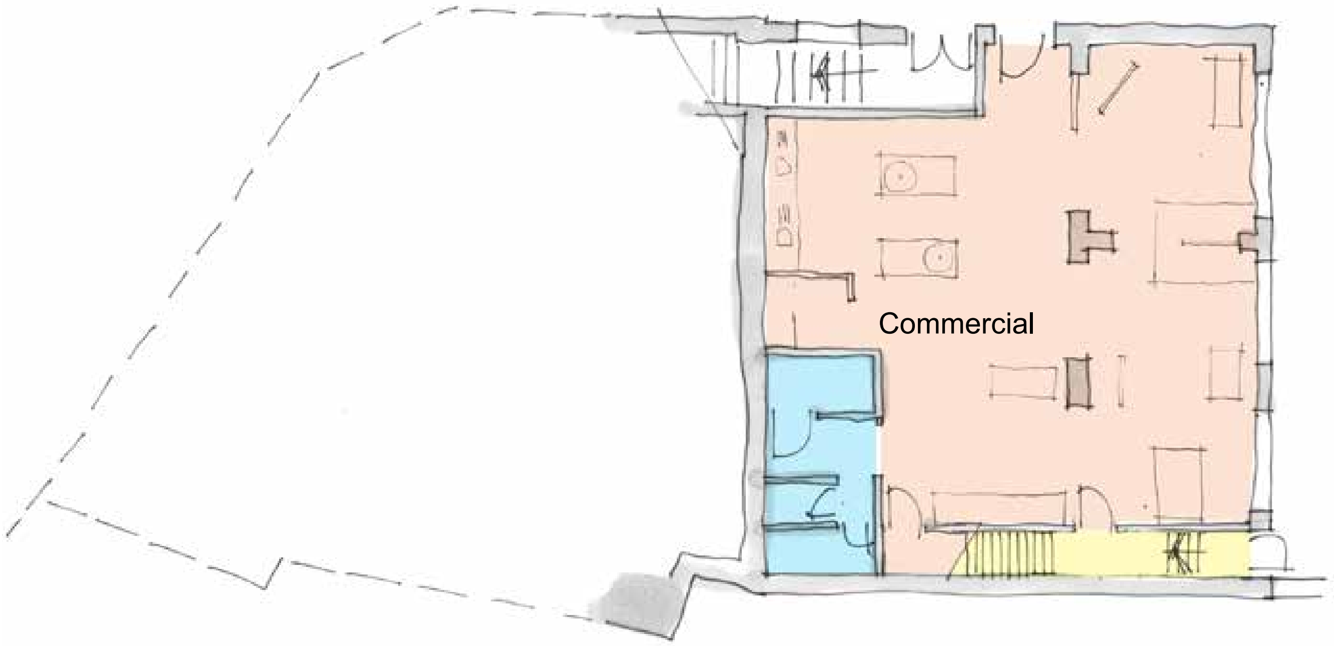




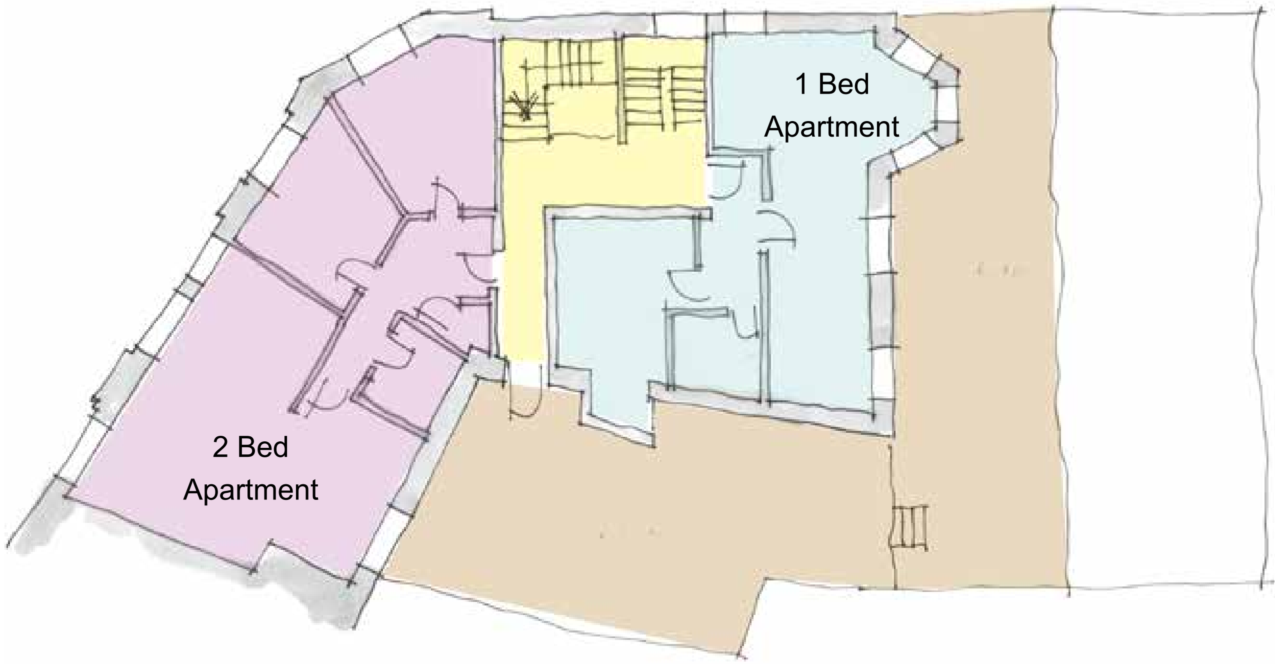
Ground Floor Plan & Mezzanine Level



Second Floor Plan



Basement Level



First Floor Plan

8. Queen Street

Location : 45 Queen Street

Use : Vacant - previous use as a garage

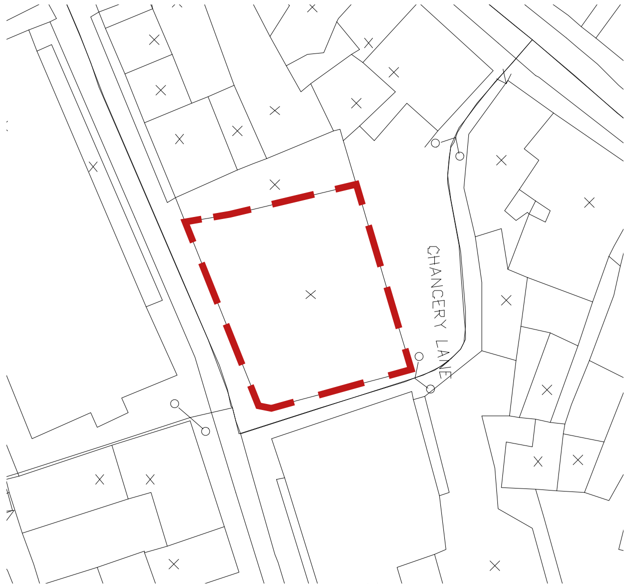
Why this site?

Currently vacant site

Potential Use?

Flexible live work accommodation

9. Ganges Restaurant



Location : 15 Chapel Street

Use : Vacant - previous use as restaurant

Why this site?

Currently vacant site

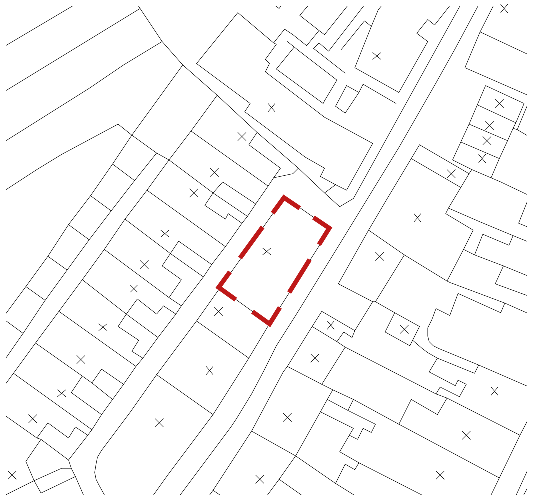
Potential Use?

Flexible residential/ employment/ arts gallery or restaurant.



10. Bread Street

Location: Bread Street
Use: Vacant retail x 2
Why this site?
Currently vacant
Potential Use?
Flexible - employment or retail - benefit of a shop window for small business's - re-use

10 B. Bread Street

Location: Bread Street
Use: Derelict
Why this site?
Currently vacant
Potential Use?
Residential/ live work. Repair a damaged section of the street and improve the surroundings.



10 C. Bread Street

Location: Bread Street
Use: For Sale - State of repair
Why this site?
For Sale
Potential Use?
Residential / live work / small creative cluster

11. Causeway Head

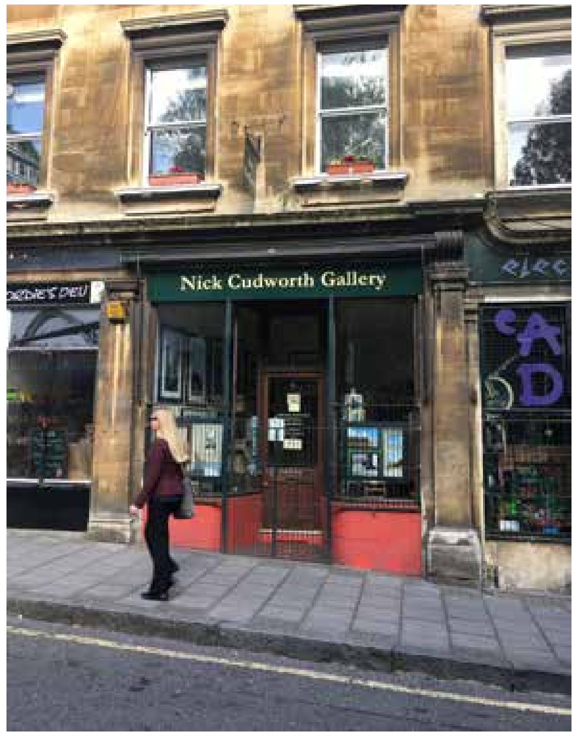
Location: 60 Causeway Head
Use: Empty ex furniture store
Potential Use?
Open plan studio / office space - creative re-use of empty shops

12. Chapel Street

Location: Chapel Street
Use: Furniture store
Potential Use?
Open plan studio / office space / retail
Refurbishment or demolish and replace

7.3 Bath Examples - indicating a range of mixed uses and adaptability / flexibility

1) Professional cluster



2) Art Studio / gallery and residential above

3) Web designer

7.3.1 Other towns and cities across the country are all suffering from similar issues to Penzance to a lesser or greater extent. Re-use and change of use of empty shops is one way that removing empty shops from the peripheral areas of the High Street.

7.3.2 This has been successfully carried out in the peripheral areas of shops in Bath. The above photographs show how retail shops have been re-populated with a range of uses including ;

1. Professional services - a cluster of architects/ structural engineers and building professionals.
2. Art studio and gallery plus live / work above
3. Web designer

7.3.3 All the business's are small and wanted a shop front window for passing trade, rather than being located in a larger work hub/ innovation unit or shared office space.

7.3.4 Buildings 8-12 could all potentially benefit from this kind of potential re-use.

7.4 Initial Economic Appraisal

7.4.1 These identified sites formed the content of a workshop that LL carried out in May 2017. The purpose of the workshop was to get feedback on which sites would be appropriate to bring forward to a more detailed appraisal.

7.4.2 In order to do this, an understanding of the initial cost viability for each scheme was carried out. The table in Figure 58 shows the costs and the values and revenues that are generated.

7.4.3 What is clear from this initial appraisal is that all the schemes other than Bellair and The Post Office sites deliver a negative residual value . This is due to the relatively high costs for building employment uses & refurbishment set against the low yields and rents results in negative values within Penzance . Whilst the Bellair option 1 with 20,000 sq ft of employment uses is only marginal, another version with a higher percentage of residential use was assessed. This generated a residual profit.

7.5 Post May 2017 workshop

7.5.1 In the course of project programme, various changes occurred in ownerships etc and the status of each project evolved as follows :

Bellair :
NHS advised Cornwall Council that they were NOT in a position to sell the site even though the site has been identified in the Draft DPD for housing and that the St Clare development will decant most of the uses out of the Bellair site. Further liaison with NHS should be carried out.

Penzance Eastern Gateway :
Cornwall Council advised that they were progressing a scheme to consider the vehicle and pedestrian movements around the eastern gateway with a view to enhancing the area and the public realm. 'Organic' growth changes to this area may well then materialise with the completion of the Premier Inn.

Causewayhead South :
Whilst this is a potential significant benefit to the town centre, the public realm works will form part of a separate piece of work and the re-development of the building may come forward separately

Library :
Penwith College as the owners of the site are considering their position with regards to both the Arts School and the Library site as the building has now been Listed. They acknowledge the benefits of the proposals but are considering their options.

Post Office :
The Post office was on the market for sale at the start of the study. It has however now been sold although we understand that the new owners are aware of this study and of the proposals that we put forward.

9 Ganges Restuarant :
This building is currently under consideration for Compulsory purchase by Cornwall Council.

10A Bread Street :
This building is now occupied as an art gallery.

7.5.2 What is encouraging with all these projects is that there is an 'organic' development process in relation to sites within the Town centre and the wider environs. Properties are being sold and development is occurring- the question is whether the type of development is appropriate with establishing economic, physical and social improvements,robustness and sustainability for the town.

7.5.3 Following further meetings with the PRP steering group, the emphasis for project delivery become focussed on two sites which support the aspirations of the neighbourhood plan and also sit well with Cornwall Councils delivery mechanisms for both residential and employment provision within the town;

7.0

1) Market Jew Street Backlands &

2) Causewayhead north :

The rationale for taking these two sites forward is due to the following reasons;

i) The Causewayhead site is the only avaiable site (owned by Cornwall Council) that is large enough in the Town centre to deliver a coherent workspace cluster suitable for the creative industries. This has the ability to provide significant long term economic benefit to the town centre.

ii) The Backlands site is an important scheme close to the main shopping street as it would generate circa 200 people who would live within the footfall of the town centre. This in turn would generate spend. It also improves the townscape and connnectivity between Market Jew Street and Wharf Road, in accordance with the apsirtations of the Neighbourhood Plan.

The following section relates to the development of these two projects, that in tandem, create both jobs and housing within the town centre.

MACE

		1 Bellair	1 Bellair - Later Living	2 Penzance Gateway	3 Backlands - Option 1	3 Backlands - Option 2	5 Causeway Head South	6 Library - Option 1	6 Library - Option 2	6 Library - Option 3	7 Post Office
Measured Works		£5,687,208.00	£8,183,180.00	£3,422,817.00	£8,706,235.00	£10,521,795.00	£1,665,298.00	£221,600.00	£261,100.00	£363,800.00	730,040
	construction	**£5,687,208.00**	**£8,183,180.00**	**£3,422,817.00**	**£8,706,235.00**	**£10,521,795.00**	**£1,665,298.00**	**£221,600.00**	**£261,100.00**	**£363,800.00**	**730,040**
Preliminaries		**Incl**	**Incl**	**incl**	**incl**	**incl**	**incl**	**incl**	**incl**	**incl**	**incl**
Design Fees		284,360	Incl 409,159	Incl 171,141	Incl 435,312	Incl 526,090	Incl 689,975	39,888	46,998	65,484	131,407
Overheads and Profit		£388,152.00	£558,502.00								
	gross construction	**£6,359,720.00**	**£9,150,841.00**	**£3,827,565.00**	**£9,735,747.00**	**£11,765,998.00**	**£2,508,366.00**	**£290,285.00**	**£342,028.00**	**£476,560.00**	**956,316**
Client Professional Fees		284,360	409,159	171,141	435,312	526,090	83,265	11,080	13,055	18,190	36,502
Client Contingency		£568,721.00	£818,318.00								
Client Direct Costs	item	excl	excl								
	sub total	**£7,212,801.00**	**£10,378,318.00**	**£4,340,988.00**	**£11,041,683.00**	**£13,344,267.00**	**£2,758,160.00**	**£323,525.00**	**£381,193.00**	**£531,130.00**	**1,065,822**
Inflation (To 3Q18)	2.50%	£144,256.00	£207,566.00	£108,525.00	£276,042.00	£333,607.00	£68,954.00	£8,088.00	£9,530.00	£13,278.00	26,646
cost total		**£7,357,057.00**	**£10,585,884.00**	**£4,449,513.00**	**£11,317,725.00**	**£13,677,874.00**	**£2,827,114.00**	**£331,613.00**	**£390,723.00**	**£544,408.00**	**1,092,467**

ALDER KING

	1 Bellair	1 Bellair - Later Living	2 Penzance Gateway	3 Backlands - Option 1	3 Backlands - Option 2	5 Causeway Head South	6 Library - Option 1	6 Library - Option 2	6 Library - Option 3	7 Post Office
total GDV	£7,815,665	£17,017,402	£3,435,729	£11,784,105	£9,878,353	£2,428,491	£341,523	£353,380	£380,243	£1,300,554
construction cost	£7,357,057	£10,585,884	£4,449,513	£11,317,725	£13,677,874	£2,827,114	£331,613	£353,380	£544,408	£1,092,467
Finance Estimate	£367,853	£713,259	£74,084	£848,784	£683,894	£35,339	£12,435	£4,884	£6,805	£27,312
S106 Contribution - Say		£60,000								
S106 Aff Cont		£1,026,000								
Total Costs	**£7,724,910**	**£12,385,143**	**£4,523,597**	**£12,165,909**	**£14,361,768**	**£2,862,453**	**£344,048**	**£395,607**	**£551,213**	**£119,779**
Residual Balance	**£90,755**	**£4,632,259**	**-£1,087,868**	**-£381,805**	**-£4,483,415**	**-£433,962**	**-£2,526**	**-£42,227**	**-£170,970**	**£180,776**

Measured Works	Cost of physical construction works on site
Preliminaries	Preliminaires include items such as management, staff, site accommodation, telephones, bonds and insurance. These range from 12-16%
Design Fees	Contractors design fees to complete project
Overheads and Profit	Contractors Overheads and Profit to complete the project
Client Professional Fees	Allowance for professional fees to complete the project (Architect, Mechanical and Electrical, Structural, Engineering, QS, Project Management and Surveys)
Client Contingency	Allowance for risk items that may occur. We currently have a RIBA Stage 1 design which is likely to develop and this allowance will cater for unknowns
Client Direct Costs (AV, IT, FF&E, decant)	This has been excluded from our cost plan. These items are fit out costs such as furniture, audio visual requirements and decant of existing buildings
Inflation (To 1Q18)	Inflationary allowance to 3rd Quarter 2018. This is in line with Mace Cost Consultancy national advice for infaltion on construction projects over the next 6 months

Figure 58: **Initial cost viability for each site**

8.0 | Priority Projects

8.0

8.0 Priority Sites

8.1 Introduction

8.1.1 The priority sites were presented to the wider stakeholder group (same group as May 2017) in order to get feedback on the proposals. A copy of the minutes from this meeting is included in Appendix B. The general feedback was positive.

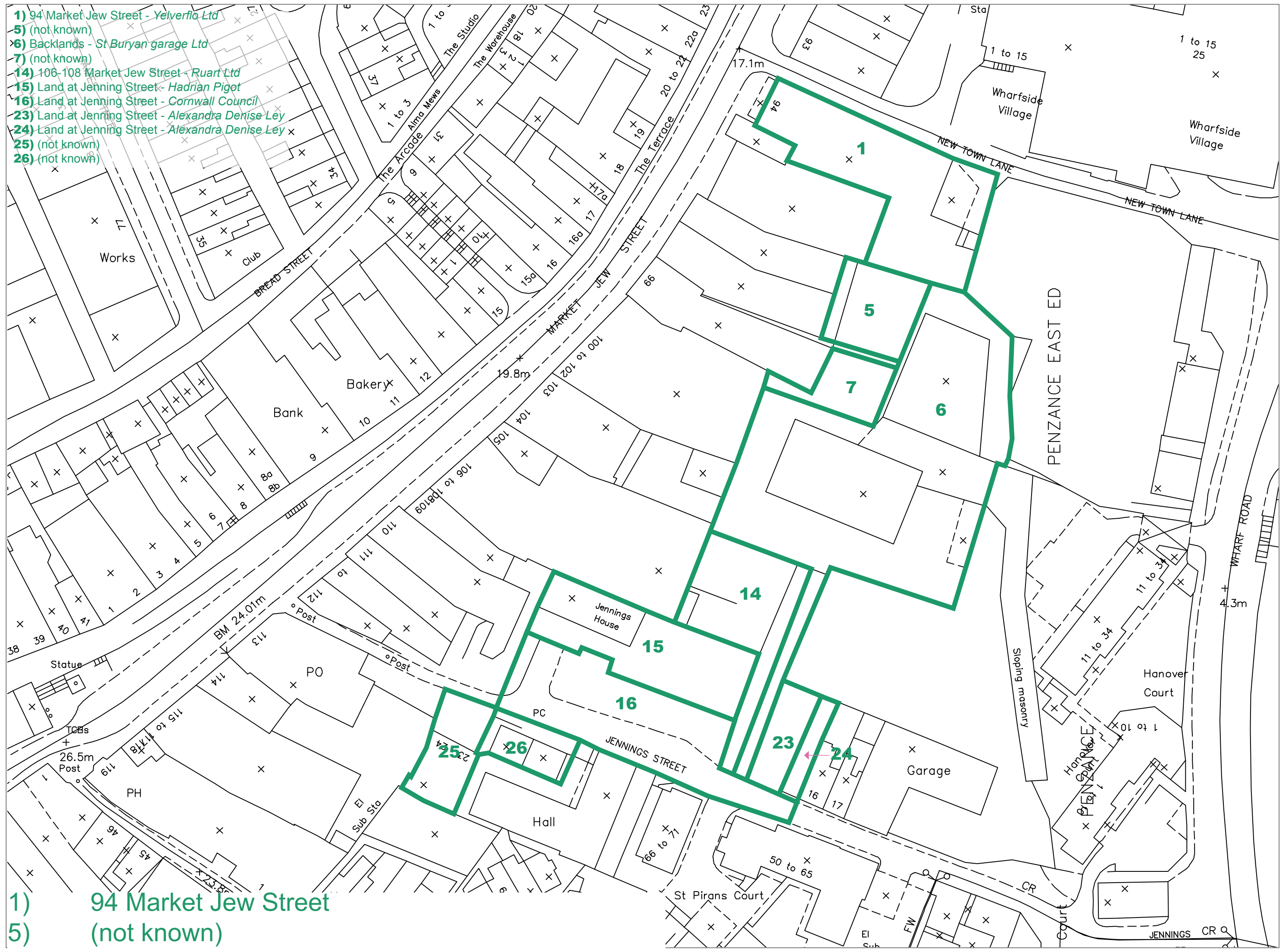
8.2 Market Jew Street Backlands

8.2.1 The Market Jew Street backlands proposal looks to improve two aspects of the town centre;

i. Increase footfall within the town centre area by increasing the population by developing housing/apartments on derelict land in close proximity to the high street.
ii. Improving the links between Wharf Road and Market Jew Street to encourage pedestrian movements around the town centre and water front in accordance with the emerging Neighbourhood Plan. This forms part of the urban renewal- repairing damaged townscape along Jennings Street and New Town Lane

8.2.2 In order to understand how to deliver the site, an initial review of ownerships has been carried out using the Land Registry Figure 59. This showed that whilst the back land area and southern side of Market Jew Street is in mixed ownership some of the Jennings Street frontage area is in Cornwall Council ownership. Other large parts of the site are also within private local ownership rather than in pension fund accounts. This could therefore help with unlocking the site for future development.

8.2.3 The scheme therefore tries to avoid too many ownerships and buildings that constitute the High Street southern frontage. Whilst the south side of Market Jew Street does need to be regenerated with more appropriate architecture that responds better to the historic core of the town, this study is about trying to create catalysts that will enable / encourage the high street to regenerate in a more organic way. Clearly, if monies were available to progress this now, then the retail frontage could also form part of the priority projects but there needs to be a degree of realism.



1) 94 Market Jew Street
5) (not known)
6) Backlands - *St Burygan Garage Ltd*
7) (not known)
14) 106 - 108 Market Jew Street - *Ruart Ltd*
15) Land at Jenning Street - *Hadrian Pigot*
16) Land at Jenning Street - *Cornwall Council*
23) Land at Jenning Street - *Alexandra Denise Ley*
24) Land at Jenning Street - *Alexandra Denise Ley*
25) (not known)
26) (not known)

Figure 59: *Location Plan & Ownerships*

Existing Aerial Photograph

studio	1
FOG	3
1B	42
2B	31
2B penthouse	4
2b house	4
3b house	1
	86

Figure 60: *Proposed Layout Plan*

BACKLANDS

		GF	FF	SF	TF	FF		quantity
	1A (Potential)	168	168				retail GF - comm FF	
	1B (Potential)	90					retail GF - comm FF	
block A	1	58	58	0			1b flat	2
	2	71	71	71			2b flat	3
	3	71	71	71			2b flat	3
	4		78				2b FOG	1
	circulation	35	35	35				
block B	1	66	66	66			2b flat	3
	2	47	47	47			1b flat	3
	3	47	47	47			1b flat	3
	circulation	30	30	30				
block C	1	62	62	62			2b flat	3
	2	51	51	51			1b flat	3
	3	50	50	50			1b flat	3
	circulation	17	17	17				
block D	1	50	50	50			1b flat	3
	2	46.5	46.5	46.5			1b flat	3
	circulation	17	17	17				
block E	1	52.5	52.5				2b flat	2
	2	52.5	52.5				2b flat	2
	3	90	90				2b flat	2
	4	40	40				2b house	1
	5	40	40				2b house	1
	6		84				2b FOG	1
	circulation	23.5	23.5					
block F	1		92				FOG	1
	2	40	40				2b house	1
	3 (Potential)		73				1b flat - potential	1
block G	1		90				FF 2b flat	1
	2	32	32	32			3b townhouse	1
block H	1		44				studio	1
	2	59	59	59			1b flat	3
	3	47	47				2b house	1
	circulation	15.5	15.5	15.5				
block I	1	75	75	75			1b flat	3
	2	75	75	75			2b flat	3
	3	82	82	82			1b flat	3
	4	80	80	80			1b flat	3
	5				110		2b penthouse	1
	circulation	58	58	58	25			
block J	1	76	76	76			2b flat	3
	2	52	52	52			1b flat	3
	3	62	62	62			1b flat	3
	4	75	75	75			2b flat	3
	5	65	65	65			1b flat	3
	6	70	70	70			2b flat	3
	7				121		2b penthouse	1
	8				110		2b penthouse	1
	9				97		2b penthouse	1
	circulation	120	120	120	50			
								86

Figure 61: *Initial land use budget*

8.2.4 The scheme aims to increase the amount of residential accommodation within the heart of the town by introducing a parallel street to Market Jew Street, in the same way that Bread Street operates to the north. This street focusses on derelict or redundant sites although the retail premises on New Town Lane (Poundstretcher), would benefit from demolition and replacement with a building that has active frontages onto both Market Jew Street and New Town Lane.

8.2.5 Existing premises along Jenning Street (the old toilets) would also benefit from being part of any emerging renewal strategy.

8.2.6 The scheme proposals however do not benefit from having any topographic, geotechnical or utility survey. A review of adjacent applications has however enabled the team to understand the likely levels and how they potentially need to interact including the benefit of understorey car parking. Clearly, more detailed analysis will be necessary as the project progresses.

1.0 Backlands 3 (All – 86 Resi Units)

Input	Amount
Completed Development – Estimated Out-turn:	£15,624,249
Less Build Costs (Mace):	£13,578,328
Less Site Purchase Cost (estimate):	£1,630,000
Finance Estimate:	£1,140,625
Total Costs:	£16,348,953
Profit/Deficit:	-£724,703
Profit/Deficit as % of total Costs:	-4.43%
Add Council Tax (Estimate – equivalent worth of £112,000 pa capitalised at 6%):	£1,866,667
Adjusted Profit/Deficit:	£1,141,964
Adjusted Profit/Deficit as % of total Costs:	6.98%

Note – Annual GVA from scheme £370,000 (estimate)

Figure 62: *Economic out-turn for the whole site*

8.2.7 The scheme generates circa 86 homes with some replacement commercial/ retail space. These are primarily apartments although there are some terraced houses along Jenning Street that should aim to reflect the historic urban pattern language.

8.2.8 Following an initial analysis of economic out-turn (build cost/ value/ profit- refer to) the likely return of the entire scheme does not yield high returns (circa 6.98%). However, when you analyse the smaller Jenning Street component of the scheme, the return is much greater (23.76%). Further analysis of phased delivery needs to be carried out at the next stage of works.

8.2.9 The scheme therefore has considerable social/ townscape renewal potential plus economic benefits. These longer term economic benefits have been explored further in Section 9 and the potentially delivery mechanisms in Section 10.

2.0 Backlands 4 (Blocks E, F, G and H only - 19 Resi Units)

Input	Amount
Completed Development – Estimated Out-turn:	£3,530,980
Less Build Costs (Mace):	£2,583,470
Less Site Purchase Cost (estimate):	£380,000
Finance Estimate:	£222,260
Total Costs:	£3,185,730
Profit/Deficit:	£345,250
Profit/Deficit as % of total Costs:	10.84%
Add Council Tax (Estimate – equivalent worth of £112,000 pa capitalised at 6%):	£411,667
Adjusted Profit/Deficit:	£756,917
Adjusted Profit/Deficit as % of total Costs:	23.76%

Note – Annual GVA from scheme £100,000 (estimate)

Figure 63: *Economic out-turn phased*

Figure 64: *Proposed Aerial View*

Figure 65: *Proposed sketch street view*

8.3 Causewayhead North

8.3.1 The rationale for developing employment space and improving the public realm around the top of Causewayhead is to;

i. Create a “gateway” into the town centre from the north. It is currently poorly defined.

ii. To increase the amount of footfall and activity around the northern end of Causewayhead by introducing employment uses (creative & digital arts) . Causewayhead currently fades out towards the northern end and so development of employment uses would assist in energising the area.

8.3.2 The scheme has developed since the option 3 shown on page 98 to include sufficient quantum of space to allow for a significant creative hub within the town centre.

8.3.3 This work has been carried out in liaison with Creative Kernow who manage the Krowji employment space for artists in Redruth and who would be keen to consider development in Penzance.

8.3.4 This scheme benefits from the fact that the Site A is within the ownership of Cornwall Council and is currently used as a small car park. There are other car park in close proximity which are not working to full capacity- the loss of this car park could therefore be considered.

8.3.5 Site B is currently used as a garage and is in a prime position. No approach has been made to the current owners about the sale of the property but we have considered it as part of this study.

8.3.6 The following pages demonstrate how both Site A & B could be developed.

Figure 66: *Location Plan*

Figure 68: *Aerial location plan*

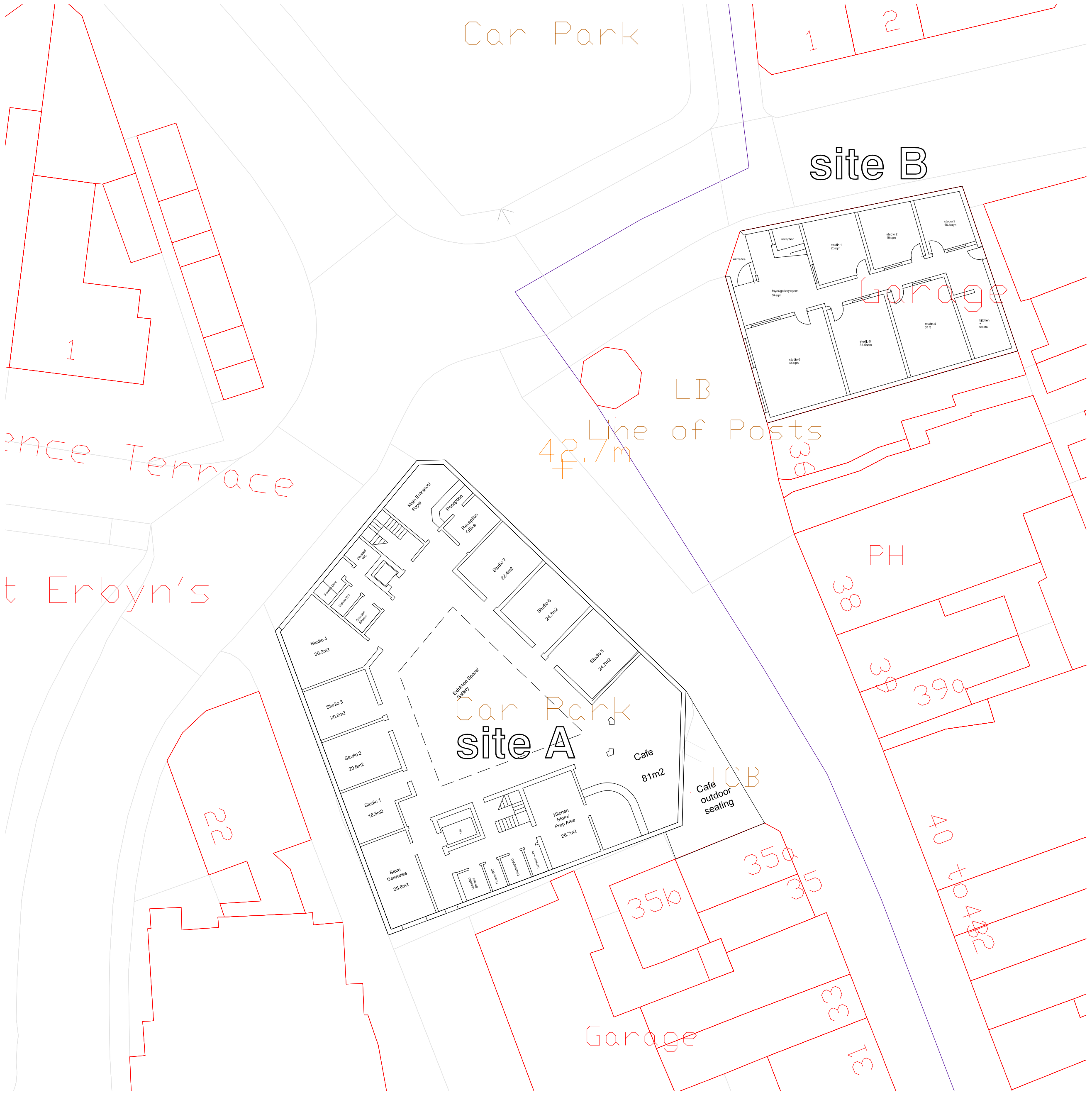


Figure 67: *Proposed Site Plan - Site A and B*

8.4 Site A :

8.4.1 Site A could become a collective of studio spaces for creative and digital industries centred around an internal courtyard/ atrium space which would include a cafe with access onto Causewayhead to enable public use.

8.4.2 The scheme could be three storey onto the northern elevation to create a gateway building along St Clare Street. The scheme should then drop to two storey to tie into the houses along Causewayhead. This would generate circa 16,500sqft (1,533m²) of employment space.

8.4.3 It would be envisaged that these spaces would demand a higher rental value as it is a new build and that the internal configuration would need to be flexible to allow for different industries and requirements.

8.4.4 Figure 69 provides an indication of what the scheme could could look like.

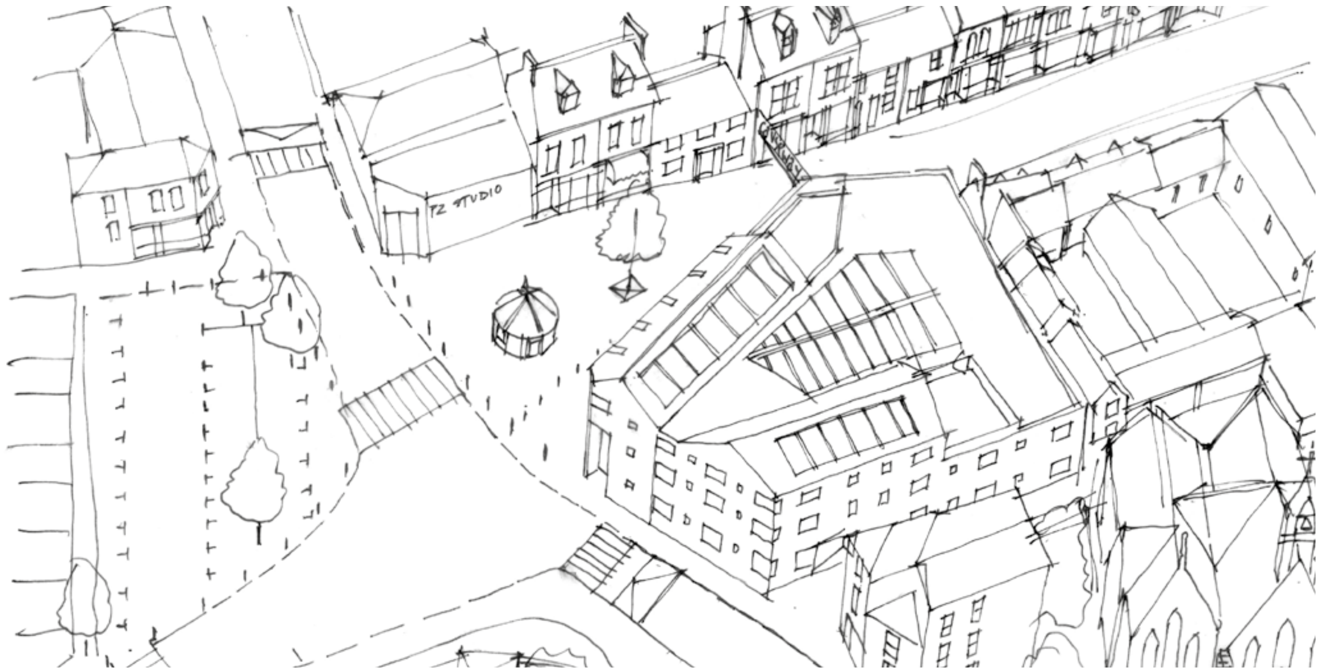
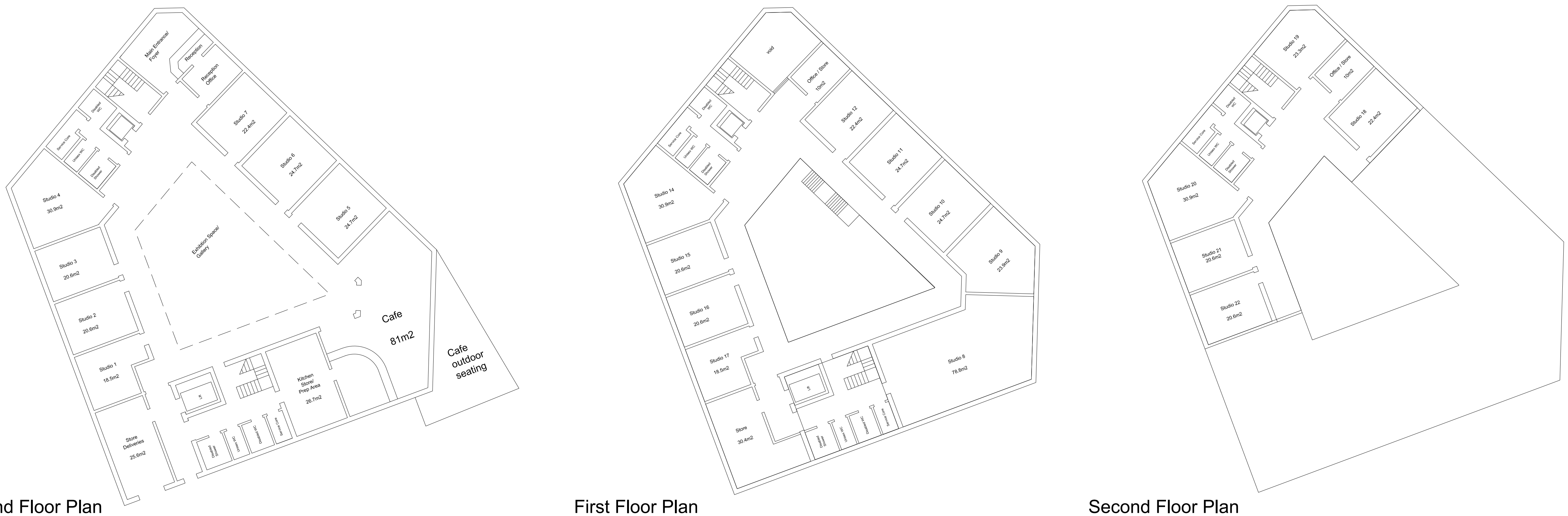


Figure 69: *Sketch aerial view of proposals for site A and site B*



Ground Floor Plan

First Floor Plan

Second Floor Plan

Figure 70: *Initial layouts*

8.5 Site B

8.5.1 Due to the tall floor to ceiling heights, this building could be retained and adapted to create larger studios for more robust uses (sculpture/ pottery etc). Simple internal subdivision and a 'public' frontage onto Causewayhead and contemporary graphics (similar to Paintworks in Bristol) could help to lift this quarter of the town centre.

8.5.2 Additional space may include St Pauls church on Clarence Street which is currently derelict and in need of renewal. The property is owned by The Bolitho Centre, a dissolved company whose last registered office was in Cornwall. The property therefore vests in the Duchy of Cornwall as Bona Vacantia.

8.5.3 As part of these works, improvements to the highway dominated junctions at the top of Causewayhead would help to create an attractive gateway space / square that announces the arrival of the Town centre when travelling from the north. There are options to this which were shown on pages 97-98.

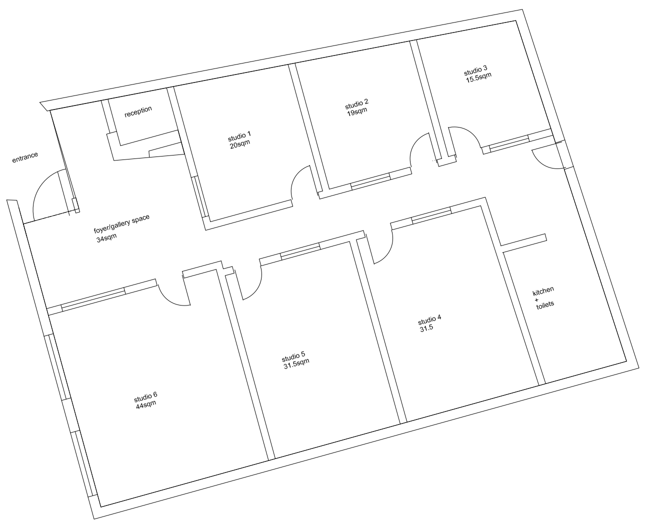


Figure 71: *Proposed Layout : Site B (The old garage) ground floor*

8.5.4 Viability : Our initial appraisals regarding build costs against value show that neither of these sites are profitable. Whilst Cornwall Council own the land for site A, the lost income from the car park receipts set against the build costs over a below ground reservoir and the relatively low rental values means that economic returns would be difficult.

8.5.5 However, when reviewed with the Market Jew Street Backlands proposals, there could be a joint development scenario where one schemes helps to fund the other. This is explored further is Section 10.

Causewayhead North (Blocks A and B – No Resi)

Input	Amount
Completed Development – Estimated Out-turn:	**£1,222,278**
Less Build Costs (Mace):	£3,589,878
Less Site Purchase Cost (estimate):	£500,000
Finance Estimate:	£89,747
Total Costs:	**£4,179,625**
Profit/Deficit:	**-£2,957,347**
Profit/Deficit as % of total Costs:	**2.91%**
Note – Circa £2,000,000 grant needed to produce 6.00% return.	

Note – Annual GVA from scheme £1,039,000 (estimate)

Figure 72: *Economic out-turn*

9.0 | Economic Impact of the Priority Projects

9.0

9.0 Economic impact of the priority projects

9.1 Introduction

9.1.1 The consultants yellow book have prepared estimates of the economic impact of the two priority projects. The results are based on high-level illustrative proposals and should therefore be treated as indicative only. The appraisal methodology is based on guidance issued by HM Treasury and the Homes and Communities Agency (HCA). [1]

9.2 Methodology: how the development generates economic impact

9.2.1 The economic impact of development proposals is measured in terms of jobs created and contribution to Gross Value Added (GVA).[2]

9.2.2 Employment impacts will be generated by:

- the creation of new workspace (commercial and industrial) will accommodate a given number of gross jobs and will also generate multiplier effects (jobs supported by the expenditure of the business and its employees)
- residential units will result in an increase in the population, and residents' expenditure will support jobs in the local economy (multiplier effects)
- construction jobs will be created and will in turn generate multiplier effects, but it is important to note that these benefits will only last for the duration of the construction contract; they are measured as annual jobs.

9.2.3 We have used the HCA guidance on employment densities for different use classes. The relevant classes for the priority projects are listed in Table 1. The densities are calculated based on net internal area (NIA).

9.2.4 The precise mix of uses and configuration of workspaces are unknown and we have therefore adopted mid-range densities.

Our working assumption is that the workspace at Causewayhead North will target start-up and microbusinesses in the creative and cultural industries, occupying a mix of relatively high density studios and co-working spaces. The proposal for Causewayhead North also includes a gallery/exhibition space, which we have placed at the upper end of the HCA density range. Taking these factors into account we have adopted the following densities (Table 2).

Use Class	Sub-category	Sub-sector	Density (m^2 per employee)
A1	Retail	High Street	15-20
A3	Restaurants and cafes		15-20
B1a	General offices	Professional services	13
		Finanace and insurance	10
B	Small business workspace	Studio	20-40
		Co-working	10-15
D2	Visitor and cultural atractions		30-300

Table 1: *Employment density matrix (extract)*

Building Use	Density (m^2 per employee)
Retail	17
Cafe/ Restaurant	17
Offices, studios and co-working	12
Gallery/ exhibition space	50

Table 2: *Employment densities adopted for the appraisal*

1 HM Treasury, The Green Book: Appraisal and Evaluation in Central Government, and Homes and Communities Agency, Employment Densities Guide

2 GVA for an area is calculated by adding the total annual wage bill (net of income tax, NI and pension contributions) to the total annual profit margin. The latest (2016) ONS data shows that GVA per employee in Cornwall is £45,580.

9.2.5 Our estimates of the employment impacts of **expenditure by residents** of the new housing units are based on:

- turnover per employee in the South West region – to calculate the expenditure required to support one full-time equivalent (FTE) job in the local economy, and
- average household expenditure in the South West to estimate gross household expenditure. [3]

9.2.6 Our estimates of **annual construction jobs** associated with the development and refurbishment of the three sites are based on ONS data on the annual turnover per employee for the construction sector. [4]

9.2.7 The increase in **GVA** reflects the net wages resulting from new jobs, plus additional business profits. GVA per employee has been calculated using data from the Office for National Statistics.

9.2.8 Our estimates present the **net additional benefits** attributable to the priority projects. Using H M Treasury Green Book guidance we have therefore adjusted the anticipated gross impacts of the two projects, taking account of deadweight, displacement, leakage, substitution and multiplier effects.

9.2.9 **Deadweight** refers to the proportion of total outputs that would have been secured anyway if the new developments had not gone ahead. We have concluded that the two projects are wholly additional and that **deadweight will therefore be zero.**

9.2.10 **Displacement** is an estimate of the reduction in economic outputs elsewhere in Cornwall that will result from implementation of the priority projects. We have made the following assumptions, all at the Cornwall level:

- **office/studio/co-working space: 50% displacement** [5]
- **retail/café: 70% displacement**[6]
- **residential accommodation: 60% displacement** [7]
- **construction employment: 50% displacemen**t [8]

9.2.11 **Leakage** refers to the proportion of outputs that benefit people who live outside Cornwall. The location of Penzance in the far south west means that **leakage is negligible: we have assessed it as -3%.**

9.2.12 **Substitution** occurs when, for example, a firm replaces an existing worker with a jobless person in order to take advantage of public sector assistance. We do envisage any such effects and we therefore anticipate a **zero substitution effect.**

9.2.13 **Multipliers** are positive, indirect effects which occur as a result of further economic activity resulting from the additional earnings of newly employed people, the household expenditure of new residents (income multipliers) and business purchases from local suppliers (supply multipliers). The ONS provides UK-level multipliers for different sectors; we have assumed that regional (Cornwall) multipliers will be 50% of the UK figure, and we have therefore applied the regional multipliers shown in Table 3. For the residential elements of the projects we have applied the H M Treasury combined income and supply multipliers for regeneration projects.

3 Data from the Office for National Statistics (ONS) suggests that turnover per employee in the South West is £96,879. These data exclusive the financial sector and parts of agriculture and the public sector. ONS data suggests that households in the South West spend an average of £27,414 per annum.

4 £87,385 (2015), source: ONS

5 Office/studio space: 100% displacement will occur if a business moves from another location in Cornwall without an increase in employment; some displacement will occur if a business moves from another location in Cornwall to enable growth; there will be zero displacement if the occupier is a new business or an inward investor. For the purposes of this appraisal we have assumed an overall displacement rate of 50%.

6 The displacement factor for high street businesses is generally assumed to be high. There is a high likelihood that they will take businesses away from existing retailers and cafes, although in aggregate new businesses are still beneficial. We have assumed a 70% displacement rate.

7 We have assumed that 60% of the new housing units will be occupied by people who already live in Cornwall, while the remainder will be new residents.

8 Displacement effects in the construction sector are hard to predict. They will be influenced by the role of national contractors and non-local labour, and by the availability of local labour. We have assumed 50% displacement overall.

Sector	Multiplier
Retail/ Cafe/ Gallery	1.21
Office	1.21
Construction	1.50
Residential	1.15

***Table 3:** Regional Multipliers*

9.2.14 Table 4 summarises the **impact discount and multiplier factors** that we have applied to the priority projects.

Factor	Office/ Studio	Cafe/ Retail	Residential Units	Construction
Deadweight	Zero	Zero	Zero	Zero
Displacement	50%	70%	60%	50%
Leakage	3%	3%	3%	3%
Substitution	Zero	Zero	Zero	Zero
Multipliers	1.21	1.21	1.15	1.50

***Table 4:** Penzance projects 0 gross to net calculations*

9.3 Economic impact appraisal: Backlands

9.3.1 The gross construction costs of the illustrative development proposal for the Market Jew Street Backlands are an estimated **£11.680m.** The scheme will deliver:

- 86 residential units with a total of 147 bedrooms
- an estimated resident population of 200 people
- 101 m² of retail space (NIA)
- 44 m² of office space (NIA)

9.3.2 We have estimated the gross employment impacts of the scheme (ongoing and temporary) as shown in Table 5-7. The Backlands project, which is primarily residential, will generate a total of **34 FTE jobs (gross) and 134 annual construction jobs (gross).**

Workspace	Sqm (NIA)	Density (sqm per employee)	Gross jobs (FTE)
Office	44	12	4
Retail	101	17	6
Total	145		10

***Table 5:** Backlands project: gross employment impact of new workspace*

Residential development	Units	Household expenditure (£ per annum)	Total household expenditure (£ per annum)	Expenditure per job created	Gross jobs (FTE)
	86	£27,400	£2,356,400	£96,900	24

***Table 6:** Backlands project: gross employment impact of residential development*

Construction	£	Construction cost per annual job	Gross annual jobs
Gross development costs	£11,680,000	£87,385	134

***Table 7:**Backlands project: gross employment impact of construction*

9.3.3 Table 8 shows our gross-to-net calculations. Once displacement, leakage and multipliers have been taken into account, we estimate that the Backlands project will create a total of **15 net additional FTE jobs and 97 net additional annual construction jobs.**

9.3.4 By applying the latest (2016) official estimate of GVA per employee in Cornwall (£45,580 per annum) we estimate that the Backlands project will contribute a net additional £0.688m to gross value added in Cornwall on an ongoing basis, and –

through construction employment – a one-off annual contribution of £4.432 million (Table 9).[9]

Workspace	Gross jobs (FTE)	Gross annual jobs	Less Displacement	Less Leakage	Plus Multipliers	Net jobs (FTE)	Net annual jobs
Office	4		50%	3%	1.21	2	
Retail	6		70%	3%	1.21	2	
Residential Development							
	24		60%	3%	1.15	11	
Construction							
		134	50%	3%	1.50		97
Total	**34**	**134**				**15**	**97**

Note: deadweight and substitution assessed as zero

Table 8: *Backlands project: gross to net employment calculations*

	Net GVA ongoing (£m)	Net GVA annual (£m)
Workspace	0.193	
Residential	0.495	
Construction		4.432
Total	**0.688**	**4.432**

Table 9:*Backlands project: net additional contribution to GVA*

9 Source: ONS Regional Gross Value Added (Balanced) by Local Authority, and Business Register and Employment Survey. Key data for Cornwall: GVA £9.435 bn; employee jobs 207,000; GVA per employee £45,580.

9.4 Economic impact appraisal: Causewayhead North

9.4.1 The gross construction costs of the illustrative development proposal for Causewayhead North are an estimated **£3.018 m.** The scheme will deliver:

- 790 m² of studio/co-working space (NIA)
- 103 m² of gallery/exhibition space (NIA)
- 4 residential units with a total of 5 bedrooms
- an estimated resident population of 7 people

9.4.2 We have estimated the economic impacts of the scheme (ongoing and temporary) as shown in Tables 10-12. The Causewayhead project will generate an estimated total of **69 FTE jobs (gross) and 35 annual construction jobs (gross).**

Workspace	Sqm (NIA)	Density (sqm per employee)	Gross jobs (FTE)
Studio/ Co-working	790	12	66
Gallery	103	50	2
Total	893		68

Table 10: *Causewayhead project: gross employment impact of new workspace*

Residential development	Units	Household expenditure (£ per annum)	Total household expenditure (£ per annum)	Expenditure per job created	Gross jobs (FTE)
	4	£27,400	£109,600	£96,900	1

Table 11: *Causewayhead project: gross employment impact of residential development*

Construction	£	Construction cost per annual job	Gross annual jobs
Gross development costs	£11,680,000	£87,385	134

Table 12: *Causewayhead project: gross employment impact of construction*

9.4.3 Our gross-to-net calculations are shown in Table 13. Once displacement, leakage and multipliers have been taken into account, we estimate that the Causewayhead North project will create an estimated total of **40 net additional FTE jobs** (rounded) and **25 net additional annual construction jobs.**

Workspace	Gross jobs (FTE)	Gross annual jobs	Less Displacement	Less Leakage	Plus Multipliers	Net jobs (FTE)	Net annual jobs
Office	66		50%	3%	1.21	39	
Retail	2		70%	3%	1.21	1	
Residential Development							
	1		60%	3%	1.15	1	
Construction							
		35	50%	3%	1.50		25
Total	**69**	**35**				**41**	**25**

Table 13:*Causewayhead North project: gross to net employment calculations*

9.4.4 By applying the latest (2016) official estimate of GVA per employee in Cornwall (£45,580 per annum) we estimate that the Causewayhead project will contribute a net additional £1.817 m to gross value added in Cornwall on an ongoing basis, and – through construction employment – a one-off annual contribution of £1.145 million (Table 14).[10]

	Net GVA ongoing (£m)	Net GVA annual (£m)
Workspace	1.794	
Residential	0.02	
Construction		1.145
Total	1.817	1.145

Table 14: *Causewayhead project: net additional contribution to GVA*

10 See footnote 9.

9.5 Aggregate impact of the priority projects

9.5.1 Table 15 presents a summary of the **gross employment impacts** associated with the two projects.

Projects	On-going impacts			Time-Limited
	Workspace	Residential	Total	Construction
Backlands	4 FTE	6 FTE	10 FTE	134 annual
Causewayhead North	68 FTE	1 FTE	69 FTE	35 annual
Total	**72 FTE**	**7 FTE**	**79 FTE**	**169 annual**

Table 15: *Priority projects: gross employment impacts*

9.5.2 Table 16 presents a summary of the **net employment impacts** associated with the two projects. Together they will generate 55 net additional jobs and 122 annual construction jobs.

Projects	On-going impacts			Time-Limited
	Workspace	Residential	Total	Construction
Backlands	4 FTE	11 FTE	15 FTE	97 annual
Causewayhead North	40 FTE	0 FTE	40 FTE	25 annual
Total	**44 FTE**	**11 FTE**	**55 FTE**	**122 annual**

Table 16: *Priority projects: net employment impacts*

9.5.3 Table 17 presents a summary of the **net GVA impacts** associated with the two projects. Together they will generate around £2.5 million per annum of ongoing net additional GVA, and a one-off contribution of around £5.6 million through the construction process.

Projects	On-going impacts			Time-Limited
	Workspace	Residential	Total	Construction
Backlands	£0.193 m	£0.495 m	£0.688 m	£4.432 m
Causewayhead North	£1.794 m	£0.023 m	£1.817 m	£1.145 m
Total	**£1.987 m**	**£0.518 m**	**£2.505 m**	**£5.577 m**

Table 17: *Priority projects: net GVA impacts*

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10.0 | Next Steps

10.0

10.0 Next Steps

10.1 What are the next steps?

10.1.1 The priority projects were presented to senior officers (Mr John Betty, Mr Adam Birchill, Mr Nigel Blackler) and Councillors (Mr Tim Dwelly) at Cornwall Council in December 2017 in order to ascertain if the council would be willing to consider bringing the projects forward as part of their emerging development strategy.

10.1.2 Given the Brexit scenario and the potential loss of European funding streams, Local Authority funding and central Government funding may be the only way in which good quality employment space could be developed in low value areas such as Penzance.

10.1.3 Linking projects with residential development would however help to reduce the funding gaps. Under this scenario, it is therefore envisaged that both the Backlands and Causewayhead projects will come forward together.

10.1.4 In order to consider the viability of the projects further, additional work will be required as follows :

10.2 Backlands :

10.2.1 Next Step 1 : DRAFT programme : January 2018- April 2018

1. Phasing: A review of the value of a phased approach needs to be considered further by Alder King. This is to try and understand at what point does the scheme start to make a loss.
2. Ownerships: need to approach land owners to define acceptance and understand legals.
3. Topographic Survey: need a survey of the site plus utility and geotechnical.
4. Highways: need to liaise with CC on loss of parking and highway improvements .
5. Brief: need to discuss with CC the mix of units and sizes (RIBA STAGE 1) .
6. Heritage: need to liaise with CC heritage team on impacts on the Conservation Area.
7. Feedback to PZRB/CC

10.2.2 Next Step 2 : DRAFT programme : April 2018 – December 2019

1. Develop scheme ideas further (RIBA Stage 2).
2. Provide detailed costing and development viability report. Viability to consider acquisition price of non CC sites and future income projections to assess estimated internal rate of return.
3. Provide detailed economic residual benefits.
4. Provide funding options for project development.
5. Carry out community consultation on the sketch ideas.
6. Consider / progress site purchase.
7. Feedback to PZRB/CC.

10.2.3 Next Step 3: DRAFT programme : December 2019- November 2020

8. Carry out community consultation feedback.
9. Prepare Detailed Application package (RIBA Stage 3).
10. Develop funding package.
11. Develop construction vehicle
12. Develop management vehicle
13. Purchase the site
14. Feedback to PZRB
15. Submit for planning

10.2.4 Next Step 4 :

16. Technical & Construction (RIBA Stage 4 & 5)

10.2.5 Next Step 5 :

17. Hand Over & Management/ residual (RIBA 6)

10.3 Causewayhead :

10.3.1 Next Step 1 : DRAFT Programme : January 2018- April 2018

1. Heritage: Need input from CC heritage team on the reservoir impacts and effects on the conservation area.
2. Highways: Need input on CC highways on loss of car park, value and on future public realm enhancement scheme and amendments highways geometries.
3. Ownerships: need to approach the owner of the garage site to see if they are willing to sell.
4. Brief: need to liaise with Ross Williams (Krowji) on the brief for the buildings and how best to attract highr value business to locate in the building (RIBA Stage 1) - is there sufficient space? should there be a cafe? Is parking an issue?
5. Survey: get a topographic survey of the site and surrounding area plus utility search and ground investigation (reservoir) .
6. Define area schedule/quantum
7. Develop business case
8. Agree funding and delivery stream
9. Feedback to PZRB

Note : Need an indication of the programme for the next steps of the Neighbourhood plan

10.3.2 Next Step 2 : DRAFT Programme April 2018- December 2019

10. Develop scheme ideas further (RIBA Stage 2) .
11. Provide detailed costing and development viability report. Viability to consider acquisition price of garage and future income projections to assess estimated internal rate of return.
12. Develop business plan
13. Provide detailed economic residual benefits report.
14. Provide funding options for project development.
15. Carry out community consultation on sketch ideas.
16. Feedback to PZRB/CC

10.3.3 Once these elements are complete, the delivery of the schemes could progress. This would include the following actions.

10.3.4 Next Step 3 :

17. Carry out community consultation feedback
18. Prepare Detailed Application package (RIBA Stage 3)
19. Develop funding package .
20. Develop construction vehicle.
21. Develop management vehicle.
22. Purchase the site.
23. Feedback to PZRB.
24. Submit for planning.

10.3.5 Next Step 4 :

25. Technical & Construction (RIBA Stage 4 & 5).

10.3.6 Next Step 5 :

26. Hand Over & Management/ residual (RIBA 6).

10.3.7 It is considered that these later phases could take in the region of 5 years to complete.

10.3.8 The ultimate aim for this study is to ensure that Penzance has a robust and thriving town centre. In order to achieve this, reports such as this need to be actively progressed beyond the ‘paper’ tasks to the delivery stage so that there is physical renewal and a sense of active participation and results. This is essential to show the public that Penzance is a place worth living and investing in.


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11 | Appendices

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Appendix A -
May & November Workshop 2017
List of Attendees

30 audience, 8 presenting.

Cornwall Councillors - Penzance
Cornelius Olivier
Tim Dwelly
Jim McKenna

Penzance Town Council:
Hester Hunt (Town Clerk)

Chamber of Commerce:
Sarah Shaw
Emily Kavanaugh

Neighbourhood Plan:
Nigel Davis
Susan Stuart

Penzance BID:
Ian Harris
Nick Hood
Jess Colliver
Izzy Philips
Claire Whitton
Theresa James

Cornwall Council:
James Hardy - Community Link officer

Local Economic Partnership:
Emmie Kell – Board member for Culture

Others:
James Green Exchange Art Gallery
Tamsin Young, Exchange Gallery
Mike Baker

Penzance Town Council:
Karen Baker
Cllr Sue Bosworth
Nicole Broadhurst
Dick Cliffe
Stephen Cordel
Tracey Halliday
Jonathan How
John Lambourn
Nigel Pengelly
Nigel Waller
Penny Young

PZ Civic Society:
John Moreland

Martyn Lonsdale - Lavigne Lonsdale
Tony Smith - Lavigne Lonsdale
Andrew Walker - Lavigne Lonsdale
Nigel Gilmore
John Lord - Yellow Book
Andy Clancy - MACE
Ian Simpson - Alder King
Kevin Brownridge - Perfect Moment

Appendix B -
Minutes of the Penzance Spatial Study Final Consultation Meeting

MINUTES OF THE PENZANCE SPATIAL STUDY FINAL CONSULTATION MEETING held at 5pm on Tuesday 14th November 2017 in the Alverne Room, St John's Hall

Presentation:

Martin Lonsdale	Lavigne Lonsdale
Tony Smith	Lavigne Lonsdale
Andrew Walker	Lavigne Lonsdale
Nigel Gilmore	Lavigne Lonsdale
John Lord	Yellow Book
Andy Clancy	Mace
Ian Simpson	Alder King
Kevin Brownridge	Perfect Moment

1. Introduction by Dick Cliffe, Mayor of Penzance

2. Presentation

3. Questions from the Floor

- Jim McKenna thanked the panel for their work, praising a good approach and methodology. Tourism numbers are surprising, particularly Penzance being below Camborne. Where did this figure come from? John Lord had the same thought, but the figures came from an official source. If e.g. Premier Inn is situated there then figures will count even if people staying don't go to the town. JMcK – could do with some notes explaining this.

- Councillor Steve Cordell – would have thought the NHS site would be easier to get under way. Jennings St project could reduce pressure on outlying sites. Martin Lonsdale – Bellair is still a good potential site either for residential or mixed use. More town centre housing numbers doesn't necessarily mean housing numbers elsewhere would reduce.

- John Moreland – the comparison between us and Falmouth in terms of visitor numbers; does this include over 100 cruise ships that visit Falmouth? John Lord – we assume so, but will go back to the source to check and also get outside perspective on the source itself. John M – we are bypassed by over 100 cruise ships every year and could accommodate the smaller ones easily. Visitors on cruise ships can spend up to £80 per head. This should be mentioned in any appraisal on economic potential. Martin L – Lavigne Lonsdale's brief this time is to concentrate on the town centre, but this is a valid point.

- Cornelius Olivier – how substantial a difference will Market Jew St Premier Inn make to the town's income? Dick Cliffe – over £2million spend. Martin Lonsdale – this should also positively impact Penzance's night life. Types of use for Jennings Street – 2/3-bedroom small apartments; need numbers of units to make it a viable project, hence apartments model.
- Emmie Kell, LEP – more info on proposed artists' studios please? Martin Lonsdale – these could include other creative industries, tech businesses etc. following the Krowji model. The tech side will bring an injection of highly-paid jobs to the area. LEP have commissioned work on film & TV industries in Cornwall & IOS, the report is due out in 8-10 days. Kevin Brownridge – work was done by Lavigne Lonsdale on creating workspace for high value businesses, so these issues are pertinent but not necessarily to this piece of work.

- Nigel Waller - the bay/harbour is one of our primary assets for attracting wealth and should be a big part of regenerating the town. Martin Lonsdale – Council are looking at this, and the Jennings Street development would link these two areas. Dick Cliffe – the harbour was not part of Lavigne Lonsdale's remit but is certainly not being ignored by the Penzance Regeneration Partnership. Tim Dwelly – lots of other areas are being looked at by LEP/PRP etc. LEP are looking at Coinagehall Street as a potential film/TV industry area. The study being presented tonight is just focused on the high street. The study was commissioned before the Brexit decision. The Council is now looking at raising up to £600m of extra investment borrowing to bring in extra Council funds, making up for lost European funding etc. New homes are important to the Council as they will also bring in Council Tax as money from the Government diminishes going forward.

- John Lambourn – the investment equation doesn't seem to add up for any prospectors? Lavigne Lonsdale - Causewayhead/Backlands are being looked at in particular and are worth investing in given the remit. Gaps in funding don't make schemes not worth doing, the gap just needs bridging in the first instance. Further work needs doing to make all of this possible. Tim Dwelly – private investments such as Newlyn Cinema have led to the Savoy being invested in; private sector development can have a knock-on effect.

LAVIGNE LONSDALE

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