Threshold Policy for the Retail Impact Test Evidence Report

February 2013

Fenland
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Threshold Policy for the Retail Impact Test: Evidence Report

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Contents

Section	Page
1. Introduction	2
2. Scale of Known Proposals Relative to Town Centres	2
3. Existing Vitality and Viability of Town Centres	3
4. Existing Floorspace in Market Town Centres	4
5. The Cumulative Effects of Recent Developments	4
6. Typical Unit Size in Centres	5
7. Threshold Policy recommendations	8

1 Introduction and Context

1. Introduction

1.1 Fenland District Council is producing the Fenland Core Strategy which sets out the framework for how development will be considered across the district to 2031.

1.2 This Evidence report (which is one of a collection) seeks to draw together evidence to justify why Fenland District Council consider the threshold for undertaking an impact assessment should be 500 sq m.

1.3 Paragraph 26 of the National Planning Policy Framework (NPPF) states that:

> *"When assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq m).This should include assessment of:*
>
> - *the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and*
> - *the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made.*

1.4 It is, therefore, important to consider whether a local floorspace threshold is required for the four market towns in Fenland (Chatteris, March, Whittlesey and Wisbech) and if so, what the threshold should be, based on a range of local factors.

1.5 As part of that consideration, the advice set out in paragraph 7.4 of the Practice Guidance on Need, Impact and the Sequential Approach (2009)[1] should be taken into account. The Practice Guidance – which at the time of writing has not been superseded by the NPPF - states that, when setting a local floorspace threshold:

> *"important considerations are likely to include;*
>
> - *the scale of known proposals relative to town centres;*
> - *the existing vitality and viability of town centres;*
> - *the cumulative effects of recent developments;*
> - *the likely effects on a town centre strategy and the impact on any other planned investment"*

1.6 For Fenland, this will include an assessment of the sites that have an extant permission, scale of retail planning applications that have been completed over the last 12 years and through taking into account existing floorspace in centres and typical unit size in centres.

2. Scale of Known Proposals Relative to Town Centres

2.1 Table 1 below shows retail development over 500sq.m. which have an extant planning permission but have not yet been built in the market towns as at 31 March 2012 (known as commitments). There are five proposals, all of which are out of centre locations.

2.2 With the exception of March, there are significant out of centre committed proposals in each of the market towns in the Fenland. In Wisbech the cumulative impact of the three Cromwell road retail development proposals could, potentially, deliver about 15,900sq.m. When compared to the existing total retail floor space of Wisbech town centre of just over 17,000sq.m, it is clear that there is likely to be a significant impact on the vitality and viability of the market town centre. Whilst smaller in comparison to Wisbech, the significant

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7781/towncentresguide.pdf

proposals for 2,450sq.m and 3,300sq.m for Chatteris and Whittlesey respectively, also suggest the potential for future impact on the market town centres.

2.3 Please note that these commitments do not include the recent approval of an out of town supermarket near Whittlesey (January 2013).

Table 1 – Fenland Retail Commitments over 500sq.m. (net) as at 31 March 2012

Case No	**Location**	**Location**	**Proposal**	**Application Type**	**Total (sq.m)**
F/00184/11	Wisbech	Unit 2a, Wisbech Stadium, Cromwell Road, Wisbech	Erection of a food store (A1), 8no screen cinema (D2), 3no restaurant units (A3), petrol filling station and car wash with ancillary car parking, access, servicing and landscaping and associated works	Full	10,219
F/00185/11	Wisbech	Tesco Stores Ltd, Cromwell Road, Wisbech, PE14 0SF	Erection of a Retail Park comprising of 9no units with ancillary car parking, access and landscaping involving demolition of existing store and garage	Full	4,829
F/00729/10	Wisbech	Hedgebarton, 14 Cromwell Road, Wisbech ROAD, WISBECH	Erection of a single-storey building comprising of 2 units for A1 use with associated parking and formation of new access involving demolition of existing dwelling and outbuildings	Full	835
F/00754/09	Chatteris	Land North of Honeysome Industrial Estate, Fenland Way, Chatteris	Erection of foodstore (A1), petrol filling station, car parking and associated highway works	Outline	2,450
F/00582/09	Whittlesey	Land West of Benwick Road Industrial Estate, Station Road, Whittlesey	Erection of Foodstore (A1), petrol filling station, car parking, servicing and associated highway works	Outline	3,304
Total					21,539

Source: Cambridgeshire County Council - Research and Monitoring Section

3. Existing Vitality and Viability of Town Centres

3.1 In 2006 Roger Tym and Partners produced a Retail Study report for Fenland, with an update report in 2009. The study looked at the performance of each market town in Fenland. Summary of the findings are as follows:

3.2 Most of the health check indicators suggested that the vitality and viability of **Wisbech** Town Centre had seen a continuing trend of decline. For example, Wisbech has seen a significant slippage in the national retail rankings from being ranked as a position of 368 in 2001 and 382 in 2004, to being ranked 511 in 2008. The study concluded that Wisbech has a relatively limited retail offer, particularly in relation to fashion retail which is highly orientated towards the ‘value’ end of the market; and that there is a lack of quality food and drink outlets. Wisbech has a relatively low prime Zone A retail rents vis-à-vis comparator centres. The study highlighted that there has been an increase in the number of town centre vacancies, including some long-term vacant units. The study also suggested that there is a need for improvements to the quality of the public realm in some parts of Wisbech town centre, particularly the bus station area and the Market Place.

3.3 **March** Town Centre continued to perform relatively well against most indicators, with strong pedestrian flows throughout much of the centre and a low (albeit rising) level of unit vacancy in the core area. The town centre was noted as benefiting from a generally pleasant physical environment and with little evidence of crime or anti-social behaviour. The centre’s convenience retail offer was recorded as good due to the presence of Sainsbury’s, Somerfield and Tesco Express stores. The centre was noted as having a range of service sector uses, although there is an under-provision of food and drink outlets relative to the UK average. However, the comparison retail offer is relatively limited, which helps to explain why March experienced a significant 214-place slippage in the national rankings between

2004 and 2008. Secondary areas of the town centre also appeared to have significantly less footfall than core areas.

3.4 **Chatteris** was noted as being a relatively small centre although it appeared to be fulfilling its dual role as a tourism/local service centre reasonably well. The only supermarket in the centre was a Budgens store. The comparison offer was cited as being limited and the centre not particularly busy, although this is not unexpected given the small size and localised role of the centre.

3.5 Most of the 'health check' indicators suggested that **Whittlesey** is a generally pleasant and viable centre, which is performing relatively well for a centre of its size and status. Whilst the range of retailing on offer is limited, the centre was noted as performing adequately in terms of meeting the daily needs of local residents. Whittlesey can be accessed by a range of means of transport, and the public realm around the centre appears to be attractive and well maintained, although in the consultants view, further investment in the physical environment would be beneficial.

4. Existing Floorspace in Market Town Centres

4.1 Table 2 below sets out the total gross convenience and comparison floorspace within the four market towns based on 2011 (Chatteris, March and Whittlesey), and 2012 (Wisbech) Experian GOAD survey data. Table 2 indicates that the total retail floorspace in the four market towns is around 45,000 sq.m gross, and three quarter of the total floorspace is in March and Wisbech. March has over half (56%) of the total convenience floorspace but units remain small with only two stores Lidl (1,160 sq.m.) and Sainsbury's (2,760 sq.m.) larger than 1,000 sq.m.

Table 2 Gross Retail Floorspace in Market Town Centres (sq m)

	Convenience	Comparison	Total
Chatteris	585	2,871	3,456
March	6,596	10,498	17,094
Whittlesey	1,338	6,011	7,349
Wisbech	3,261	13,917	17,178
Total	11,780	33,297	45,077

Source: GOAD Centre Reports 2011 and 2012

5. The Cumulative Effects of Recent Developments

5.1 Table 3 shows the amount of retail floorspace completed in the four market towns of Fenland within the town centre boundaries defined in the Local Plan. This table clearly shows that there has been a net loss in retail floorspace of 3,181 sq.m. in the town centre areas between 1999 and 2012. With the exception of 2005-06, each monitoring year has witnessed a net decrease in retail floor space in the town centres, with an average of over this period of -265sqm. This trend inevitably has a detrimental effect on the viability and vitality of the town centres in Fenland.

5.2 Table 4 shows that across Fenland District as a whole there was net increase in retail floorspace of about 14,000 sq m in the last 12 years. As there has been a consistent trend of decline in town centres, it is clear that retail growth over the last decade has been taking place in out of town locations. The cumulative effect of this growth outside centres is likely to have severe impacts on the viability of the Market Centres for retail.

Table 3: Amount of retail floorspace completed in Fenland Town Centre Areas (Sq.m) (1999-2012)			
FENLAND	**A1**		
	Gains	**Losses**	**Net**
01/01/1999 – 31/03/2002	134	-334	-200
01/04/2002 – 31/03/2003	0	-284	-284
01/04/2003 – 31/03/2004	0	-179	-179
01/04/2004 – 31/03/2005	188	-572	-384
01/04/2005 – 31/03/2006	1,065	-389	676
01/04/2006 – 31/03/2007	148	-486	-338
01/04/2007 – 31/03/2008	282	-1,581	-1,299
01/04/2008 – 31/03/2009	31	-171	-140
01/04/2009 – 31/03/2010	44	-402	-358
01/04/2010 – 31/03/2011	106	-396	-290
01/04/2011 – 31/03/2012	80	-465	-385
Total	**2,078**	**-5,259**	**-3,181**

A1 figures are for net tradeable floorspace (sales space)

Source: Cambridgeshire County Council - Research and Monitoring Section

Table 4: Amount of retail floorspace completed in Fenland Local Authority Area (Sq.m) (1999-2012)			
FENLAND	**A1**		
	Gains	**Losses**	**Net**
01/01/1999 – 31/03/2002	4,405	-514	3,891
01/04/2002 – 31/03/2003	1,300	-284	1,016
01/04/2003 – 31/03/2004	2,433	-179	2,254
01/04/2004 – 31/03/2005	2,185	-887	1,298
01/04/2005 – 31/03/2006	2,848	-829	2,019
01/04/2006 – 31/03/2007	1,008	-554	454
01/04/2007 – 31/03/2008	2,463	-1,972	491
01/04/2008 – 31/03/2009	4,593	-2,960	1,633
01/04/2009 – 31/03/2010	1,685	-500	1,185
01/04/2010 – 31/03/2011	732	-759	-27
01/04/2011 – 31/03/2012	299	-704	-405
Total	**23,951**	**-10,142**	**13,809**

A1 figures are for net tradeable floorspace (sales space). .

Source: Cambridgeshire County Council - Research and Monitoring Section

6. Typical Unit Size in Centres

6.1 Tables 5 to 8 show the size of retail units in all market towns. This is generally characterised by relatively small units. The average gross floorspace of a retail unit in all market towns is listed below.

- Chatteris 111 sq m
- March 211 sq m
- Whittlesey 136 sq m
- Wisbech 144 sq m

6.2 The tables show that there are very few larger units (over 1,000 sq m) in town centres. Indeed, they only comprise 5% of units in March, 4% in Whittlesey and 3% in Wisbech of the total units. Tables 5 to 8 show that in all market towns 90% or more of the total retail units are below 400 sq m.

Table 5 Gross Retail Unit Size in Chatteris Town Centre (sq m)

Floorspace (sq.m.)	Convenience Units		Comparison Units		Total	
	No. of Units	% of Total	No. of Units	% of Total	No. of Units	% of Total
0 to 50	0	0%	10	36%	10	32%
51 to 100	2	67%	13	46%	15	48%
101 to 150	0	0%	3	11%	3	10%
151 to 200	0	0%	0	0%	0	0%
201 to 250	0	0%	0	0%	0	0%
251 to 300	0	0%	0	0%	0	0%
301 to 350	0	0%	0	0%	0	0%
351 to 400	0	0%	0	0%	0	0%
401 to 1,000	1	33%	2	7%	3	10%
1,000 to 2,000	0	0%	0	0%	0	0%
2,001 to 3,000	0	0%	0	0%	0	0%
Over 3,001	0	0%	0	0%	0	0%
Total	**3**	**100%**	**28**	**100%**	**31**	**100%**

Source: GOAD data 2011 and 2012

Table 6 Gross Retail Unit Size in March Town Centre (sq m)

Floorspace (sq.m.)	Convenience Units		Comparison Units		Total	
	No. of Units	% of Total	No. of Units	% of Total	No. of Units	% of Total
0 to 50	0	0%	11	16%	11	14%
51 to 100	3	25%	24	35%	27	33%
101 to 150	0	0%	17	25%	17	21%
151 to 200	1	8%	8	12%	9	11%
201 to 250	1	8%	1	1%	2	2%
251 to 300	2	17%	2	3%	4	5%
301 to 350	1	8%	2	3%	3	4%
351 to 400	0	0%	1	1%	1	1%
401 to 1,000	2	17%	1	1%	3	4%
1,000 to 2,000	1	8%	2	3%	3	4%
2,001 to 3,000	1	8%	0	0%	1	1%
Over 3,001	0	0%	0	0%	0	0%
Total	**12**	**100%**	**69**	**100%**	**81**	**100%**

Source: GOAD data 2011 and 2012

Table 7 Gross Retail Unit Size in Whittlesey Town Centre (sq m)

Floorspace (sq.m.)	Convenience Units		Comparison Units		Total	
	No. of Units	% of Total	No. of Units	% of Total	No. of Units	% of Total
0 to 50	0	0%	14	30%	14	26%
51 to 100	5	72%	19	40%	24	44%
101 to 150	0	0%	4	9%	4	7%
151 to 200	0	0%	4	9%	4	7%
201 to 250	1	14%	2	4%	3	6%
251 to 300	0	0%	2	4%	2	4%
301 to 350	0	0%	1	2%	1	2%
351 to 400	0	0%	0	0%	0	0%
401 to 1,000	0	0%	0	0%	0	0%
1,000 to 2,000	1	14%	1	2%	2	4%
2,001 to 3,000	0	0%	0	0%	0	0%
Over 3,001	0		0	0%	0	0%
Total	**7**	**100%**	**47**	**100%**	**54**	**100%**

Source: GOAD data 2011 and 2012

Table 8 Gross Retail Unit Size in Wisbech Town Centre (sq m)

Floorspace (sq.m.)	Convenience Units		Comparison Units		Total	
	No. of Units	% of Total	No. of Units	% of Total	No. of Units	% of Total
0 to 50	1	7%	21	20%	22	18%
51 to 100	5	33%	47	45%	52	44%
101 to 150	4	27%	21	20%	25	21%
151 to 200	2	13%	3	3%	5	4%
201 to 250	1	7%	3	3%	4	3%
251 to 300	1	7%	2	2%	3	2%
301 to 350	0	0%	3	3%	3	2%
351 to 400	0	0%	1	1%	1	1%
401 to 1,000	0	0%	1	1%	1	1%
1,000 to 2,000	1	7%	1	1%	2	2%
2,001 to 3,000	0	0%	1	1%	1	1%
Over 3,001	0	0%	0	0%	0	0%
Total	**15**	**100%**	**104**	**100%**	**119**	**100%**

Source: GOAD data 2011 and 2012

7. Threshold Policy recommendations

7.1 The NPPF (paragraph 26) advises that local planning authorities can put in place local impact thresholds, where it is considered expedient to do so. This report undertakes an assessment of a range of local factors such as size of existing units in the town centre, development trends and committed proposals.

7.2 The tables above demonstrate a clear trend of decline in town centre retail floorspace, but an increase across the district overall. There is no evidence to suggest this trend will change in the short term with extant permissions, particularly in Wisbech, potentially delivering large amounts of further floorspace outside centres. It is therefore necessary to ensure that to prevent further erosion of town centre viability and vitality, out of town centre proposals are assessed in detail for their potential impact on the town centre.

7.3 As there is already a large proportion of out of centre retail floorspace, and given the evidence of a continued trend of decline, it is deemed necessary in Fenland to set a lower impact assessment threshold to protect against the effect of cumulative applications under the NPPF requirement of 2,500 sq.m which would otherwise be able to apply for planning permission without justification on impact and capacity of the new floorspace. In setting a locally specific threshold, regard has been had to the following:

7.4 First, as illustrated by tables 5-8 the vast majority of retail units (for both comparison and convenience goods) in all market towns are below 400sqm. If the broad thrust of policy (national and local) is to protect and enhance town centres, then it would appear appropriate to set a local threshold policy slightly above this 400sqm level (on the basis that a new proposal out of town of around 400sq.m is not likely to impact on the town centres due to the availability of similar size units in town centres).

7.5 Second, even in the largest two centres of March and Wisbech, a proposal just under the NPPF default 2,500sq.m threshold would represent around 15% of the floorspace of those town centres – a very significant figure, and quite obviously one which could result in an impact on that town centre. In the Council’s view, a proposal which, if built, would represent more than 3-5% of the floorspace of the applicable town centre could have an impact. And if it could have an impact, then an impact assessment should be required. 3-5% equates to around 500-850 sq m in Wisbech and March, and 100-350 sq m in Chatteris and Whittlesey.

7.6 Third, it is worth noting that according to the Sunday Trading laws, a ‘large shop’ is one which is over 280sq m. A threshold at or below that level would not appear sensible, but it is a guide to national thinking as to what constitutes a ‘large shop’ which generates a reasonable amount of trade (and, therefore, the potential to result in an impact on shopping trends).

7.7 Therefore, taking all points into account, it is recommended that for the Fenland Core Strategy, a local floorspace threshold in our Core Strategy of 500 sq m gross for comparison and convenience A1 retail floorspace should be adopted, with a policy requiring an assessment of impacts for any proposals (including extensions) above 500 sq m.

7.8 Please note, this is not to say permission will automatically be refused for development over 500sq m, rather it is simply stating that its full impact will need assessing before a development proposal can be properly assessed by the Council and a decision reached.