LDF PMB and MAG Combined Group

Core Strategy Workshop 9 - November 23rd 2011
Managing the Scale of Retail Development - A Methodology for Establishing a Local Retail Floorspace Threshold Policy for Impact Assessments

Report by Jo Manley - Policy Planner

Introduction

It was agreed at Workshop 8 (IDP & Sundry Matters) on 29th September 2011 that a local retail floorspace threshold policy is included in the Core Strategy in order to ensure that full consideration is given to the scale of development and any significant adverse impacts that could result from retail proposals.

Policy Context

Policy EC14 of PPS4 requires an impact assessment for retail and leisure developments over 2,500 sq m gross floorspace or any local floorspace threshold, not in an existing centre or in accordance with an up to date development plan. The objective of an impact assessment is to measure and where possible quantify the impacts of proposals. The assessment can be used to gauge the potential impact on the development plan strategy and the overall consequences on the vitality and viability of existing centres such as reduction in footfall, impact on vacancies etc.

Policy EC3.1.d of PPS4 stipulates that if consideration is given to establishing a local floorspace threshold, any policy should set out the scale of edge-of-centre and out-of-centre development to which the impact assessment will be applicable and establish the geographic areas to which the threshold would apply.

Policy EC14.6 of PPS4 states that an impact assessment will also be required for planning applications in an existing centre which is not in accordance with the development plan, and which would substantially increase the attraction of the centre to the extent that the development could have an adverse impact on other centres.

The impact assessment will have to address the criteria set out in Policy EC16.1 of PPS4.

Consequently, this paper looks at setting a local floorspace threshold for both in-centre proposals and edge/out-of-centre proposals across the retail hierarchy. The sequential test is dealt with separately under “Location of Main Town Centre Uses” policy.

The Need for a Local Threshold in South Somerset

The research report, *The Impact of Large Food Stores on Market Towns and District Centres (1998)* showed that large food stores can have an adverse impact on market towns and district centres, but the level of impact is dependent on the local circumstances of the centre concerned. In particular, smaller centres, which are more dependent on convenience retailing to underpin their function, are more vulnerable to the effects of larger food store development at edge-of-centre and out-of-centre locations.

In the context of the above, whilst most of South Somerset's town centres are reasonably healthy (they are well used locally and have lower or the same vacancy rates compared to the national average apart from Wincanton, Langport & Somerton which have higher vacancy rates) they are relatively small, and given their size, and in some cases, lack of town centre sites, there is a need to protect the range of retail, service and other commercial facilities within these town centres from inappropriately scaled proposals and reinforce though appropriate development, their vitality and viability.

Appendix 1 illustrates how a gross floorspace threshold of 2,500 sq m would not be sufficient to assess the impact of convenience retail development proposals on the District's centres, as the majority of development proposals over the last 10 years have fallen below this threshold. For example, an edge-of-centre supermarket of 500 sq m (almost double the size of Tesco Express in Cavalier Way, Yeovil) could have significant negative impacts on one of the District's smaller centres, but under the current policy, there would be no requirement for a developer to address the issue of impact, only the sequential test. In summary, Appendix 1 identifies that outside of Yeovil, only Waitrose (Crewkerne), Tesco (Ilminster) and Morrisons (Wincanton) would have been required to undertake an impact assessment, based on their size - clear evidence of a need for a locally set threshold.

The findings of the South Somerset Retail Study Update 2010 reinforce the points above and further illustrate the need for a lower threshold. The study specifies the amount of net convenience retail floorspace capacity in Yeovil, Chard, Crewkerne, Ilminster and Wincanton to 2026:

Convenience Retail Floorspace Capacity

	2009		2014		2021		2026	
	sq m net	sq m gross	sq m net	sq m gross	sq m net	sq m gross	sq m net	sq m gross
Yeovil	924	1320	1791	2559	3087	4410	4017	5739
Chard							189	270
Crewkerne								
Ilminster								
Wincanton	825	1179	1043	1490	1373	1961	1613	2304

Based on a 70/30 gross to net split

The likelihood is that the majority of proposals that would be in line with the identified capacity[1] (i.e. the retail need) would fall below the nationally set floorspace threshold, and so for a settlement such as Wincanton, which is vulnerable to the effects of cumulative out-of-centre growth, or one of the lower order settlements which are underpinned by greater convenience retailing functions, there is a need to assess the impact of additional convenience retailing below the existing 2,500 sq m gross threshold.

The rural nature of the District and size of its smaller centres, suggests that there is also a need to look at the impact of any significant in-centre proposals, as these could also detract from the high street and have an impact on its viability. In terms of the larger settlements (Yeovil, Chard, Crewkerne, Ilminster and Wincanton) it is suggested that there is sufficient guidance in the Retail Study (through capacity assessments) and PPS4 (the sequential test) to address the scale of development,

[1] These retail capacity figures will need to be reconfigured once the housing/employment growth options have been decided.

and request an Impact Assessment should proposals be out of scale with the evidence. The scale of local floorspace threshold for the smaller settlements is considered later in this report.

Establishing a Local Threshold

a) Geographic Context

The scale of known proposals, relative to the town centre, is one of the primary factors in setting a local threshold (PPS4 Good Practice Guidance). When researching this paper, it was identified that currently the South Somerset Retail Hierarchy (Core Strategy Policy EP10) reflects the Settlement Hierarchy (Core Strategy Policy SS1) and based on the evidence from the Retail Study and the Settlement Role and Function Study, this should be revised.

The South Somerset Retail Study Update 2009 identifies Yeovil as the largest centre in South Somerset, followed by the town centres of Chard, Crewkerne, Ilminster and Wincanton, and then Castle Cary, Somerton and Langport, followed by Bruton, Ilchester, Martock, Milborne Port, South Petherton and Stoke Sub Hamdon – effectively a 4-tier hierarchy.

Furthermore, when applying the PPS4 definitions of centres (see table below and Appendix 2 which summaries services & facilities in the settlements) to South Somerset, it clearly confirms that the South Somerset Retail Hierarchy differs from the Settlement Hierarchy.

Core Strategy Settlement & Retail Hierarchy	**PPS4 definitions of Retail Centres:**	**Suggested South Somerset Retail Hierarchy:**
Strategically Significant Town - Yeovil	Town Centres - principle centre in the Local Authority Area	Yeovil
Market Towns - Chard, Crewkerne, Ilminster, Wincanton, Castle Cary, Somerton and Langport/Huish.	Market Towns - in rural areas there are likely to be Market Towns and other centres of similar size and role, which function as important service centres, providing a range of facilities and services for extensive rural catchment areas.	Given that these centres are to serve an extensive rural catchment, the settlements of Chard, Crewkerne, Ilminster & Wincanton
Rural Centres - Bruton, Ilchester, Martock, Milborne Port, South Petherton and Stoke Sub Hamdon.	District Centres - groups of shops containing at least one supermarket and a range of non-retail services, such as banks and local public facilities such as libraries.	In the South Somerset context, this would be the equivalent of the smaller Market Towns of Castle Cary, Somerton & Langport/Huish.
	Local Centres - a range of small shops of a local nature serving a small catchment. Typically, local centres may include, amongst other shops, a small supermarket, a newsagents, a sub-post office and a pharmacy. In rural areas, large villages may perform the role of a local centre.	Bruton, Ilchester, Martock, Milborne Port, South Petherton & Stoke Sub Hamdon fall into this category for whilst some have a bank and public facilities, they only have a small supermarket.
	Small parades of shops purely	

	for neighbourhood significance are not regarded as centres for the purposes of PPS4.	

In terms of retail/service function, the Market Towns (as currently identified in Policy SS1 and EP10) should be subdivided into Market Towns and District Centres for retail purposes and Policy EP10 be revised accordingly:

Revised Policy EP10 Town Centre Hierarchy

Yeovil is the principle town centre in South Somerset. Chard, Crewkerne, Ilminster and Wincanton are Market Towns. Ansford/Castle Cary, Somerton and Langport/Huish are smaller Market Towns akin to District Centres in retail terms and Bruton, Ilchester, Martock, Milborne Port, South Petherton & Stoke Sub Hamdon are Rural Centres akin to Local Centres in retail terms.

The development of main town centre uses in Yeovil, the Market Towns, District Centres and Local Centres should be of a scale that is commensurate with the settlement role and function, and does not unbalance the town centre hierarchy.

The geographic areas outlined in Policy EP10 above will be used as the basis of the local floorspace thresholds policy.

b) Scale of threshold

There is no exact science to define a methodology for establishing the scale of a local threshold. Planning for Town Centres: Practice Guidance on Need, and the Impact of the Sequential Approach (2009) that accompanies PPS4 specifies that, in setting floorspace thresholds for requiring an impact assessment, important considerations are likely to include the scale of known proposals, relative to the town centres. Therefore the basis to establish a scale for each geographic area is primarily based on the existing size of convenience retail units in each settlement and guidance from the Valuation Office's definition of foodstores (which are used to set rateable value).

In Yeovil, the retail study identifies a capacity of 924 sq m net (equivalent of 1320 sq m gross) to 2014, rising to 4017 sq m net (5739 sq m gross) to 2026. It is recommended that on the basis of the existing facilities in Yeovil, its capacity and its role and function in the retail hierarchy, the national threshold of 2,500 sq m should be applied. This would be used in conjunction with the sequential test that would guide development into the appropriate locations.

The Valuation Office defines hypermarkets/superstores (gross internal area over 2500 sq m) and large foodstores (gross internal area of 750-2,500 sq m), they do not subdivide or categorise shops below 750 sq m. It is recommended that the floorspace threshold in the Market Towns be set at 750 sq m gross, in line with the Valuation Office classification of a large foodstore. Therefore any applications for proposed retail development in edge-of-centre or out-of-centre locations that are in excess of 750 sq m gross should be subject to a retail impact assessment. The justification for this figure stems from the existing units in the Market Towns and the proposed retail strategy for these as suggested in the South Somerset Retail study. The study highlights the need to focus on the town centres and maintain a constant market share approach for convenience retailing. It warns that future proposals for out-of-centre retail development could soak up significant amounts of identified capacity and should be carefully considered in terms of the potential harm to town centres. The Lidl store in Wincanton is 933 sq m gross internal area and it seems

logical that a store of this size be subject to an impact assessment and hence the need for a local threshold.

Given that the smaller Market Towns (known as District Centres for retail policy purposes - Castle Cary, Somerton & Langport) perform a lesser retail/service role, and their town centres may be more vulnerable to the impact of a large foodstore, it is recommended that the floorspace threshold for District Centres be set at a lower rate. Establishing this a threshold requires a common sense approach, therefore using knowledge of store sizes that are present across the district and the size of the District Centres, it is suggested that a threshold of 500 sq m gross would be logical. Whilst the Tesco supermarket in Langport has according to the Valuation Office a 1,540 sq m gross internal area, which is considerably larger than 500 sq m, 500 sq m is the equivalent of twice the size of an average Tesco Express (in the District), and given the role and function of the District Centres, it is important that the impact of anything of this size on the existing centre can be assessed and addressed if needs be, as the impacts could potentially be negative. It is suggested that this threshold also be applied to in-centre proposals as the Retail Study was unable to provide capacity figures for these settlements based on their small size.

The Rural Centres (known as Local Centres for retail policy purposes - Bruton, Ilchester, Martock, Milborne Port, South Petherton & Stoke Sub Hamdon) generally have a range of small shops of a local nature serving a small catchment area. These centres are even more vulnerable to the impact of larger scale services and facilities. On the basis of the fact that a Tesco Express is roughly 250-260 sq m, it is recommended that the retail floorspace threshold in the Local Centres be set at 250 sq m gross.

The recommended policy is below:

New Policy EP* Local Floorspace Threshold for Impact Assessments

In order to ensure that full consideration is given to the scale of development and whether this would have any significant adverse impacts, proposals involving additional retail floorspace that are in excess of the following thresholds should be accompanied by a Retail Impact Assessment in accordance with national planning guidance.

Retail Hierarchy Settlement Classification	South Somerset Settlements	Retail Floorspace Threshold (gross)
Market Towns	Chard, Crewkerne, Ilminster & Wincanton	750 sq m
District Centres	Castle Cary, Somerton & Langport/Huish.	500 sq m
Local Centres	Bruton, Ilchester, Martock, Milborne Port, South Petherton & Stoke Sub Hamdon	250 sq m

Proposals for retail development up to and including the above floorspace thresholds will generally be regarded as being of a scale that would not result in significant adverse impacts.

The thresholds do not imply that anything above them are of an inappropriate scale, and should not be awarded planning permission, but simply that anything at or above

these would need to demonstrate that there would not be a significant adverse impact.

The requirement to undertake a retail impact assessment should not only be confined to major new developments, in some cases, extensions, redevelopment or variation of conditions can materially alter the effects of a development. The cumulative impact of recent/committed proposals may also be particularly relevant in some cases. Whilst all these instances cannot be detailed, the right should be retained for officers to require an impact assessment if there are strong concerns regarding any of the above and their potential impacts. This should be articulated in the supporting text to the policy above.

Recommendations
That PMB agree the revised retail hierarchy and the local floorspace threshold policy as outlined above.

Appendix 1 – Convenience Goods Floorspace in the District

Please note this is not an exhaustive list of retail facilities, but a sample to establish the existing retail floorspaces in various sized settlements.

VO- Valuation Office
SSRS – South Somerset Retail Study

Company	Gross Internal Area (sq m)	Net Floorspace (sq m)	Location
Yeovil			
Tesco Extra Huish	11,572 sq m (VO)	5910 sq m (SSRS)	Town Centre
Morrisons Lysander Rd	5033 sq m (VO)	2787 sq m (SSRS)	Out-of-Centre
Asda Preston Rd	6276 sq m (VO)	3325 sq m (SSRS)	Out-of-Centre
Lidl Lyde Rd	1681 sq m (VO)	1286 sq m (SSRS)	Out-of-Centre
Tesco Express, Cavalier Way	261 sq m (VO)	153 sq m (SSRS)	Out-of-Centre
Aldi Sherborne Rd	1129 sq m (VO)	650 sq m (SSRS)	Out-of-Centre
Co-op Stiby Road	303 sq m (VO)	216 sq m (SSRS)	Out-of-Centre
Tesco Express, Abbey Manor	286 (VO)	186 sq m (SSRS)	Out-of-Centre
Old Southern Electrical Dept	1115 sq m (09/03469/FUL).	870 sq m (09/03469/FUL).	Out-of-Centre
Chard			
Tesco, Tapstone Road	3420 sq m (VO)	2000 sq m (SSRS)	Out-of-Centre
Lidl, Bowden Street	1254 sq m (VO)	929 sq m (SSRS)	Town Centre
Co-op, Fore Street	1517 sq m (VO)	935 sq m (SSRS)	Town Centre
Sainsburys, Holyrood Street	1773 sq m (VO)	1116 sq m (SSRS)	Town Centre
Crewkerne			
Co-op, Falkland Square	N/K	417 sq m (SSRS)	Town Centre
Lidl, George Shopping Centre		652 sq m (SSRS)	Town Centre
Waitrose	2985 sq m (VO)	1858 sq m (SSRS)	Town Centre
Ilminster			
Tesco	3420 sq m (VO)	2535 sq m (SSRS)	Town Centre
Co-op, Cornhill	965 sq m (VO)	567 sq m (SSRS)	Town Centre
Wincanton			
Morrisons, Southgate Road	4359 sq m (VO)	1916 sq m (SSRS)	Out-of-Centre
Lidl, Southgate Road	933 sq m (VO)	560 sq m (SSRS)	Out-of-Centre
Co-op, Carrington Way	816sq m (VO)	450 sq m (SSRS)	Town Centre

Alldays, High Street	334 sq m (VO)	N/K	Town Centre

Castle Cary

Co-op, Fore Street	157 sq m (VO)	N/K	Town Centre

Somerton

Williams Supermarket/Costcutters, Brunel Shopping Centre	763 sq m (VO)	N/K	Town Centre

Langport

Tesco, North Road	1540 sq m (VO)	N/K	Out-of-Centre

Bruton

Spar, High Street	135 sq m (VO)	N/K	Town Centre

Ilchester

No facilities - only a small convenience shop associated with garage.

Martock

Co-op	325 sq m (VO)	N/K	Town Centre

Milborne Port

Co-op	116 sq m (VO)	N/K	No Town Centre boundary currently

South Petherton

Balfour Convenience Store	175 sq m (VO)	N/K	Town Centre
Co-op	143 sq m (VO)	N/K	Town Centre

Stoke Sub Hamdon

Hamdon News	163 sq m (VO)	N/K	No Town Centre boundary currently
Legg Stores	268 sq m (VO)	N/K	No Town Centre boundary currently

Appendix 2 - Services & Facilities (Source: Settlement Role & Function Study - April 2009)

	Convenience Shop[2]	Supermarket[3]	Health Centre/Drs	Pharmacy	Bank	Post Office	Library
Yeovil	Y	Y	Y	Y	Y	Y	Y
Chard	Y	Y	Y	Y	Y	Y	Y
Crewkerne	Y	Y	Y	Y	Y	Y	Y
Ilminster	Y	Y	Y	Y	Y	Y	Y
Wincanton	Y	Y	Y	Y	Y	Y	Y
Castle Cary	Y	N	Y	Y	Y	Y	Y
Somerton	Y	Y	Y	Y	Y	Y	Y
Langport & Huish	Y	Y	Y	Y	Y	Y	Y
Bruton	Y	N	Y	Y	Y	Y	Y
Ilchester	Y (Cost Cutter, Northover)	N	Y	Y	N	Y	Y
Martock	Y	N	Y	Y	Y	Y	Y
Milborne Port	Y	N	Y	Y	N	Y	Y
South Petherton	Y	N	Y	Y	Y	Y	Y
Stoke Sub Hamdon	Y	N	Y	Y	N	N	N

[2] PPS4 definition of convenience store - everyday essential items, including food, newspapers/magazines and confectionary.
[3] PPS4 definition of supermarket – less than 2,500 sq m. Valuation Office defines supermarket/large food store 750-2,500 sq m.