

## Making small beautiful

### Contributions from a NRPF/ Action for Market Towns Workshop

On 27 September an invited audience attended a workshop hosted by Co-operative Estates in London which examined the challenges for small towns in the face of recent trends in the retail industry. The workshop explored issues around interpretations of the NPPF "Town Centre First" policy as well as considering what support small towns need to remain competitive.

***Workshop Chairman, Michael Burchell summarises some of the key points emerging from the workshop***

Chris Wade (Action for Market Towns) highlighted the particular challenges that small centres face in responding to the difficult economic climate and trends in retail investment which have tended to favour larger centres and the growth of internet trading. A large number of out-of-town schemes were still in the pipeline putting further pressure on town centres. Rigorous application of town-centre-first policy was crucial to the future of many small towns. John England (England & Lyle) analysed the way in which the policy and the impact test had been applied in recent cases, and argued for consistent use of information in the evaluation of schemes.

Nigel Smith (Co-operative Estates) used recent examples from Co-op's property portfolio to illustrate how schemes could be designed to meet modern retail requirements while enabling wider town centre objectives to be secured. Careful integration of a scheme into the High Street was vital. Out-of-town (or edge-of-centre schemes poorly related to the town centre) should be resisted to encourage the development industry to bring forward and finance town centre projects.

Debate has centred around the need for strong planning controls over out-of-town retail to protect town centres, but that is only part of the story. Action is needed to make town centres attractive environments for investors, retailers, residents and visitors. Many are not. Morgan Garfield's presentation (Ellandi LLP) about the St Austell Partnership showed what can be achieved when visionary thinking is combined with concerted action involving all the key players in the town centre. It shows how small towns can fight back to create a vibrant future, and should inspire others to do the same.

*This bulletin summarises the presentations and key contributions from the workshop debate*

## ***A Small Towns Perspective on Putting Towns Centres First***

### **Chris Wade, CEO, Action for Market Towns**

At Action for Market Towns (AMT), we represent the interests of our member towns and the interests of the fifth of the population that rely on rural, industrial and coastal small towns to meet their everyday needs. We have tracked and influenced the policy debate around putting town centres first for many years because of the adverse effect that out-of-town development can have on High St vibrancy in small towns. In a sense, we see this as the necessary stick to constrain unsustainable and unfair competition that is to be used alongside the carrots that have been accepted from the Portas Review.

Our alternative perspective on multi-functional town centres is documented in our recent report *Twenty First Century Town Centres* (<http://towns.org.uk/knowledge-hub/prosperous-places/>). Our long track record in delivering our version of localism through community-led planning and solutions, gives us a

broad perspective on the wider needs of small towns and links to issues like affordable housing. We also operate a national Town Centre Benchmarking scheme that gives us insights in to the health of our High Streets and allows us to speak with authority.

Our objectivity means that we are not interested or involved in "supermarket-bashing" or criticising other national retailers per se. We see them as an important part of the retail offer in our town centres alongside a thriving independent sector. Nevertheless, we feel strongly that now is a time for clear national and local leadership to apply the revised Town-Centres-First policy that formed part of the new National Planning Policy Framework (NPPF). This policy supports the maintenance of competitive town centres with diverse retail and requires applications for new retail developments to be refused if they fail two simple tests: the *sequential test* (town centre > well connected edge of town > other accessible sites) or have a *significant adverse impact* on other investments in town centres or their vitality.

### ***Assessing the Impact of Supermarkets on Small Towns: significant adverse impact***

#### ***Dr John England, Director, England & Lyle***

England & Lyle have been monitoring decisions on appeals and call-ins for supermarkets in small towns in England over the last 2-3 years since the introduction of PPS4 and now the NPPF. We have examined 6 cases of supermarkets allowed/approved and 6 cases dismissed/refused throughout the country. The factors involved in these decisions have been analysed.

In the cases of supermarket proposals approved the main factors are:

- ◆ Meets the sequential test – fundamental for a proposal to be acceptable
- ◆ Qualitative need for a new supermarket e.g. leakage of trade, deficiencies in supermarket provision, and enhanced choice and competition
- ◆ Linked trips with town centre (if edge-of-centre)
- ◆ Unsustainable travel to foodstores in larger towns

- ◆ Over-trading in existing foodstores in the same area
- ◆ No significant impact on investment in centres
- ◆ Trading impact on town centre acceptable (generally less than 10%)
- ◆ No significant adverse impact
- ◆ Employment and regeneration benefits
- ◆ Loss of employment land acceptable

In the cases of supermarket proposals refused the main factors are:

- ◆ Fails the sequential test, or satisfies it but fails on impact grounds
- ◆ No evidence of need for another supermarket – lack of need is no longer a reason for refusal but it is relevant to assessing impact
- ◆ No benefits in linked trips with town centre – could reduce linked trips from an existing edge-of-centre store or would not encourage linked trips
- ◆ Impact on planned investment in centres

- ◆ Trading impact on town centre unacceptable (generally more than 15-20%)
- ◆ Cumulative impacts with other approved retail developments
- ◆ Effect on retail character (harm to vitality & viability)
- ◆ Significant adverse impact on the vitality and viability of centres
- ◆ Employment benefits do not outweigh retail policy conflict
- ◆ Other planning considerations (access, visual impact, etc) – can tip the balance against a proposal.

The NPPF requires impact assessments of proposed developments over a certain size. "Significant adverse impact" can be a reason for refusal if the impact would be significant on investment in centres or on the vitality and viability of centres. The key elements in the interpretation of significant adverse impact are:

The level of trading impact on centres – the higher the trading impact the more likely a proposal is to be refused. But there is no 'rule of thumb'. The significance of a certain percentage trade diversion varies according to local circumstances, especially the health of centres.

The ability of a centre to withstand trading impact – some centres are more vulnerable than others. Weak vitality and viability is usually a cause for concern unless there are other benefits which could offset possible harm.

It is important to assess the vitality and viability of centres in detail.

PPS4 listed indicators for assessing the health of centres in detail but they are not included in the NPPF or in the Practice Guidance. An alternative to the PPS4 checklist is the Town Benchmarking approach developed by Action for Market Towns. It is particularly suitable for application in small towns. The approach is tried and tested and has been used in more than 100 towns nationally. It is based on 12 Key Performance Indicators which can be compared against other towns and regional and national

averages. A nationally recognised toolkit is available and the approach is designed to be used by local authorities and local communities without the need for specialist consultancy services. Details can be found on [www.towns.org.uk/amt-i](http://www.towns.org.uk/amt-i)

Two cases of supermarkets have been decided since the NPPF was published. In Newport, Telford and Wrekin District, an appeal has been allowed for an out-of-centre supermarket in an "attractive and relatively prosperous market town". It satisfied the sequential approach and was not judged to have a significant adverse impact on the town centre. A convenience trade diversion of 9% was assessed as "relatively modest". Another application in Newport for a larger foodstore has been called in for an Inquiry. There are concerns about the cumulative impact of two new stores in a small market town.

In Lancaster a large foodstore on an out-of-town greenfield site has been refused after a call-in Inquiry. The trading impact was not significant (15% on convenience goods and 8% on comparison goods in the town centre) – this was accepted by the Secretary of State. But the Inspector said "trade diversion to an out-of-centre location would run counter to the established policy of supporting town centres". The application was refused because it failed the sequential test; there is potential to redevelop an edge-of-centre brownfield site.

It is too early to judge if the NPPF has changed the way in which Inspectors and the Secretary of State are deciding proposals for supermarkets. But the basis for retail policy decisions is simpler and clearer in the NPPF than in PPS4. The NPPF requires a balance between positive and negative impacts. The uncertainty at present is whether Government policy will shift more towards giving a higher priority to economic growth which could result in a weakening of the 'town centres first' approach and a possible easing of restrictions on supermarket development outside centres.



Action for Market Towns is an independent, national membership organisation dedicated to maintaining vibrant and viable small towns. For more information visit:

[www.towns.org.uk](http://www.towns.org.uk)

## **Nigel Smith, Co-operative Estates**

My presentation focused on Food retailers and how they are adapting to the tough economic climate and changes in National Policy

- ◆ Food market is toughest it's been in years
- ◆ Big 4 slowing down. Tesco consolidating, Sainsbury picking up the slack, Morrisons and Asda steady. All looking at smaller formats and new opportunities on the fringes of smaller towns
- ◆ Discounters on the increase
- ◆ Co-op equally finding it tough but holding its own due to strength of brand and with UK wide coverage.
- ◆ Co-op remains pro 'town centre first', consistently 'plays by the rules' and continues to challenge Big 4 where we believe they are at odds with NPPF and Local policy
- ◆ Co-op remains community-focused and a committed town centre stakeholder, working with Action for Market Towns (AMT), Association of Town Centre Management (ATCM) and Association of Convenience Stores (ACS). However, our key concern is the misapplication of National and Local Policy under the guise of Localism and Central Government decisions being made in an inconsistent fashion (e.g PINS – Newport, Shropshire).
- ◆ Key threats to smaller towns are:-
  - ◇ inconsistent local and Central decisions – NPPF is essential in providing 'framework' for the right local decisions
  - ◇ edge and out of town retail schemes that have no regard to existing centres
  - ◇ failure to plan properly for the medium to longer term, instead looking at knee-jerk quick fix solutions that risk damaging, beyond repair, our traditional high street community hubs
  - ◇ failure to provide proportionate, integrated, inward-facing new store developments

## **Morgan Garfield, Ellandi LLP**

St Austell is a typical small town, trying to establish itself as a sustainable and vibrant town centre.

It has a large number of vacant shops, a poor image amongst shoppers and the looming threat of a huge out of town retail park, about to be submitted for planning permission.

To reverse this pattern a group of local stakeholders, spanning the public and private sector, have come together to advance and deliver a Vision for St Austell.

This is based on:

- ◆ Creating a true mixed use and vibrant town centre
- ◆ Encouraging a leisure based night time economy and a café culture
- ◆ Attracting a mix of national and local retailers including an artisan market
- ◆ Developing a positive brand
- ◆ Ensuring accessible and well priced parking

- ◆ Establishing a Business Improvement District, and
- ◆ Fighting the Out of Town Threat

Key factors behind the successful launch of the St Austell Partnership are:

- Broad based—a disparate group but with common aims and a common threat
- Pro-active leaders
- Funding—primarily private sector with some potential public sector support
- A threat—acts as focal point to stimulate action

St Austell can be a thriving mixed use town centre that is the heart of its community.

To achieve this we must collectively...

- Fight for the town centre to remain the principal retail destination
- Make sure the town centre provides services and leisure facilities
- Ensure that the town centre has a positive image and a strong voice"
- Campaign to see that local and national decision makers apply the appropriate planning

**Shane Brennan**

**Association of Convenience Stores**

Our main issues are:

◆NPPF and Localism reforms have made the need for proactive planning by local authorities even more important. Retailers and communities who want to see coherent planning decisions need to engage in the plan making process. Whether this be the Local Plan development or through new tools like neighbourhood planning.

◆ACS is promoting engagement by its members with the planning process at the local level through the *Planning for Diverse Centres* guide.

◆We (ACS) are very concerned that trends in retail investment (especially amongst the big grocers) have undertaken a seismic change in the past 6 months. They are not now planning on this basis of investing in very large footprint mixed food and non-food developments. Instead they will be more focused on smaller stores. However they are still pushing through approvals on large format stores that may or may not get built. The worst case scenario is an application or planning approval sitting outside a town centre deterring potential investment in that centre and no prospect of the store itself being built.

*Illustration—St Austell town centre*



**Graeme Willis, CPRE**

CPRE campaigned hard to ensure that there were marked improvements in the final NPPF over the earlier consultation draft. On the 'Town Centre First' policy the NPPF retains the essence of the earlier PPS4 policy and welcome references to supporting markets, a diverse retail offer and promoting the individuality of town centres. Yet, we know (from CBRE) there is vast new grocery retail space in the pipeline with planning permission or at application stage and four fifths of this out of centre, or off centre. Over 21 million square feet of this type of development was permitted under earlier policy. Yet the new policy has nothing stringent enough to suggest this trend will change. On the contrary, the clear messages in the policy and from Government are that planning should prioritise economic growth and the economic component of sustainable development and this is often being used as an argument to override "town centre first". In this context Local Authorities will need to be strongly committed to ensuring local policy and its implementation regards town centres as the most sustainable option for development and their priority even if it means challenging and resisting the temptations of short term growth of retail in areas beyond.

If the Government commitment to localism is to mean anything then it should offer strong support for local communities resisting out of centre retail pressures. Achieving this kind of shift in emphasis should mean that growth is smarter and greener. It should mean that the framing concept of sustainable development in planning has some traction: that means development which prioritises brownfield use for retail to reduce pressures on greenfield and fosters regeneration. It means minimising energy demands and transport needs by creating walkable and cyclable town and local centres and neighbourhoods, not out of town retail poorly accessible to those without cars. CPRE's work on local food networks or 'webs' shows that a commitment to strong diverse town centres could also support the markets and traditional retailers who stock high percentages of local food. These in turn provide access to market for dozens of local producers, retain more money circulating in the local economy as well as adding to the distinctive character, the attractiveness and vitality of towns and their neighbouring rural areas.

For copies of the full presentations made at the workshop visit the NPPF website—  
[www.nppf.org.uk](http://www.nppf.org.uk)

The Royal Town Planning Institute is seeking to promote the idea of joining up public services with planning, with particular reference to encouraging use of vacant units in town centres. Public services need to be planned with regards to the need of the people that will use them, and town centres are an obvious choice for such development due to the public transport infrastructure that supports them, enabling those with the most need to access the services that they need. Such an increase in footfall could also have economic effects on a town centre as a whole, as more people are attracted to the remaining retail outlets.

**Trudi Elliott, Chief Executive, Royal Town Planning Institute**

**Mike Kiely, Senior Vice-President, Planning Officers Society**

It is clear from the statistical evidence that as a country we have too much retail floorspace. The increased use of other means of shopping – principally the Internet – means that this is not a phenomenon that will reverse or even decline. We therefore need to plan for fewer shops in the future.

It is also clear that people’s habits are changing and the destination shopping centre is where many people are heading. In London, we have seen the successful opening in recent years of the two Westfield centres at White City and Stratford. This part of the retail sector is clearly expanding as we are experiencing at Croydon (in my authority).

These combined factors result in a negative double whammy for the other centres in our towns and cities and they must recognise that the future of town centres will be based on much less retail floorspace. This does not mean the end of these centres, but it does mean they will have a very different role; a role much less reliant on retailing.



## **Jonathan Baldock, Town Centres and Retail Planning Consultant**

'Attack is the best method of defence' against unwanted out-of-centre retail developments - i.e. Local Authorities must be pro-active if they wish to have prosperous and successful town centres. This means undertaking positive planning to identify needs for town centre development and improvement, putting in place up-to-date development plans and strategies which support such improvements and identify how development needs will be accommodated; and then actively seeking development partners to deliver such developments and associated improvements.

Local planning authorities cannot 'have their cake and eat it', i.e. more and more out-of-centre retail development (particularly superstores and superstore extensions selling more comparison goods), and a prosperous and successful town centre. Town centre development is slow, expensive and difficult, whereas out-of-centre retail development is relatively quick, cheap and easy. However the more that retail expenditure is decentralised (particularly on comparison goods), the harder it becomes to make town centre development financially viable.

It is shops which attract shoppers. Therefore environmental improvements alone will not turn around a failing town centre which lacks the shops necessary to attract shoppers.

Services are particularly important to smaller town and district centres. One can't buy a cup of coffee, or have one's hair or nails styled over the internet, for example. Thus attraction of new services, such as cafes and restaurants, health and beauty, and financial services, is at least as important as the attraction of new retail shops, in the internet age.

Achieving the 'Four A's': 'Attractions, Accessibility, Amenities, Action', as advocated in 'Vital and Viable Town Centres - Meeting the Challenge', Department of the Environment 1994, is still the way forward. To this should be added 'Anchors', i.e. one or more substantial retailers, such as a large supermarket.

It is also vital to focus on high quality customer service, exploit uniqueness, and give people as many reasons as possible to visit the town centre.

Many local authorities lack an adequate evidence base for proper objective assessment of retail planning applications. Some retail studies undertaken for local authorities are out-of-date, and some were unsound even at the time they were prepared (for example by using random sampling in household interview surveys by telephone, yielding results heavily biased towards retired people; rather than using age-related quota sampling to obviate such bias). Local planning authorities should therefore reassess their retail evidence base, and ensure that it is technically sound and up-to-date.

## **The National Retail Planning Forum**

is a cross-sector organisation that aims to bring together retail firms, investment institutions, property development companies and planning consultants and other retail specialists with government, local government, professional institutions and the academic and research sector.

### **Why Not Join Us?**

To fund its activities, the Forum seeks sponsorship from a number of principal sponsors who are represented on its Board. It also offers several categories of membership for organisations and individuals that provide preferential access to workshops and events as well as access to the Forum's knowledge base. Membership rates vary depending on type of organisation.

For further information on the Forum and its activities, please contact:  
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