The Sequential Approach to Retail Development

Report on a National Research Project for

The National Retail Planning Forum
British Council of Shopping Centres
Department of the Environment, Transport & The Regions

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Cover photograph by Jonathan Baldock
1. Introduction

1.1 In January 1999, CB Hillier Parker was appointed by the National Retail Planning Forum (NRPF) to undertake a pilot study of how the sequential approach set out in PPG6 of June 1996 is being applied in practice, and its effects on retail development. The study was also supported by the British Council of Shopping Centres and the Department of the Environment, Transport & the Regions. The objectives of the pilot study were as follows:-

1. To establish the availability of evidence on policy and practice before and after the sequential approach.

2. To test the quality of that evidence to provide initial conclusions on the effects of the sequential approach.

3. To refine the research method and so define the research brief for a larger main study.

1.2 The pilot study was based on in-depth interviews with a small sample of local planning authorities, retailers and developers, together with review and evaluation of the documentary evidence which they provided; and an in-depth analysis of a small sample of planning Inquiry decisions. The pilot study was carried out during the first half of 1999.

1.3 As the pilot study progressed, it became apparent that sufficient documentary evidence did exist to enable firm conclusions to be drawn about how the sequential approach is working in practice in relation to retail development. As a result, the NRPF decided, in conjunction with ourselves, to extend the pilot study by undertaking additional in-depth interviews and reviewing the additional documentation collected; and by reviewing an additional sample of planning Inquiry decisions. The NRPF therefore commissioned us to undertake this additional work as a seamless extension
of the original commission, so that the initial and later work together formed the complete main study which is the subject of this research report.

1.4 The entire research project was based on the following:-

- In-depth interviews with twelve local planning authorities covering a broad and generally representative spread of types of local authority and town, and locations across the country;

- A detailed review of the documentary evidence they provided in relation to their Local Plans, town centre strategies, development control decisions, and other related matters;

- In-depth interviews with six retail developers, seven food retailers (some of whom also develop their own stores) and six non-food retailers (some of whom also develop their own stores);

- Analysis of the documentation provided by the private sector;

- In-depth analysis of the Inspector’s conclusions and decisions taken at nine Public Inquiries into major retail developments, at which CB Hillier Parker had presented retail evidence on behalf of the local planning authority. These decisions included three towns where there had been Public Inquiries before and after the sequential approach was formalised in PPG6 of June 1996, enabling us to assess changes in the basis of decisions before and after the sequential approach. The cases covered food stores and retail warehouses, and included four Local Plan Inquiry hearings.

- An outline review of twenty planning Inquiry decisions published between 1 January 1997 and the present, covering planning appeals and call-ins; and representing a random sample of approximately 12% of all major retail Inquiry decisions over this period.
1.5 We are very grateful to the local authorities, developers and retailers who willingly participated in the interviews with us, and who provided documentary evidence of policy and practice for us to review. Without their participation, this research would not have been possible. On behalf of both CB Hillier Parker and the NRPF therefore, we wish to record our appreciation and thanks for their involvement and assistance. In some of the private sector interviews, we were given confidential information. We have taken care to protect that confidentiality; and have not therefore included the responses of individual companies in this report in any identifiable way.

1.6 In the course of our research, we have been provided with a very substantial volume of documentation, particularly by the local authorities interviewed. We have attempted to review all relevant documentation, and précis the key elements of it. Inevitably, such a process risks misinterpretation. Any such short-comings, as a result of our attempting to identify the essence of an issue are therefore entirely our own, and not the fault of any of our interview subjects. Overall however, we believe that we have been able to form a rounded and robust view of the effects of the sequential approach on retail development, and the key issues arising, as set out in this report.

1.7 After this introduction, in Sections 2 to 5 of the report, we set out our findings and conclusions together with the supporting evidence from our interviews with local authorities, developers, food retailers and non-food retailers respectively. In Section 6 we present our findings on the effects of the sequential approach on planning Inquiry decisions. The report ends with Section 7, in which we set out our overview of the key findings, our suggestions for further research, and the implications for policy and practice.

1.8 As far as possible, Sections 2 to 6 of the report are written in a succinct style to assist the reader. In each section, our findings are presented under a number of themes. For each theme, we first set out in a paragraph in italics a succinct summary of our findings and conclusions in relation to that theme. This is followed by sub-paragraphs summarising the main factual evidence on which those findings and conclusions are based. Thus reading only the paragraphs in italics will provide a rapid indication of our findings and conclusions from the overall study. Readers with more time will be
able to review also the main evidence on which those conclusions are based, by reading the intervening paragraphs in normal text.

1.9 At various points in the report, we have referred to two possible interpretations of the sequential approach. The first, which we refer to as the ‘built form’ interpretation, asks the question whether the development proposed by the applicant, for example a food superstore or retail warehouse ‘sheds’ with adjacent surface car parking, can be developed in or on the edge of a nearby town or district centre, in precisely the format proposed by the applicant. The second possible interpretation, which we refer to as the ‘class of goods’ interpretation, asks the question whether the goods to be sold from the proposed development could be successfully retailed from a new town centre or edge-of-centre development, albeit one of a different built form from that proposed by the applicant, for example town centre shops and stores and without adjacent surface car parking. In the report, we have, inter alia, explored these interpretations, to ascertain which is being applied and in what circumstances; since these interpretations relate to the requirement in PPG6 for retailers to be flexible in adapting their retail format to the sequential approach. We have also explored how need for proposed developments is being assessed; in view of the statement to the House of Commons on this issue by the Planning Minister on 11 February 1999, which now forms part of planning guidance.

1.10 Whilst the sequential approach of PPG6 embraces other forms of development in addition to retail, in this research we have limited our investigations to its effect on retail development. We are aware that understanding of the sequential approach has evolved since it was first introduced (although not under that name) in PPG13 in March 1994. This report is intended to represent the position as at 1999; and to indicate the further research needed if it is to evolve further in accordance with the government’s objectives. In this report, we have taken June 1996 to be the date when the sequential approach was formally introduced under that name in PPG6; and thus the cut-off date for references in the report to before or after the sequential approach.
2. **The Sequential Approach and Local Authorities**

2.1 This section presents the results of the local authority interviews. Twelve local authorities participated in the research. They were selected to cover a range of different types of town, including London suburbs, metropolitan districts, historic towns, large free-standing towns, small towns and coastal resorts, and a range of parts of the country, as follows:-

- Exeter City Council
- South Oxfordshire District Council
- London Borough of Hounslow
- Fylde Borough Council
- Bolton Metropolitan Borough Council
- Darlington Borough Council
- Walsall Metropolitan Borough Council
- Norwich City Council
- Northampton Borough Council
- North Wiltshire District Council
- Chichester District Council
- London Borough of Enfield.

2.2 The results of the interviews have been summarised under a number of themes, as follows:-

- Consideration of the need for further retail development;

- Inclusion of the sequential approach in the Local Plan;

- Consultation with the private sector to identify town centre and edge-of-centre sites;
- Allocation of town centre and edge-of-centre sites in the Local Plan;

- Definition of edge-of-centre for purposes of applying the sequential approach;

- Preparation of town centre strategies; and

- Recent major development proposals.

2.3 Where the results refer to all local authorities, the reference is to all those authorities that were interviewed rather than all local authorities in the country. References to Local Plan include Unitary Development Plans.

**Consideration of the need for further retail development**

2.4 Only half of the local authorities interviewed have commissioned consultants to carry out retail studies to investigate the need for additional retail development. Where local authorities have commissioned consultants, the extent to which commercially suitable and available development sites have been investigated and then allocated in Local Plans appears limited. Often local authorities commissioned retail studies during the course of the Local Plan preparation, and in some cases they have been too late to inform the Local Plan.

i) Only half of the local authorities interviewed have commissioned consultants to carry out retail studies to investigate the need for additional retail development, in both quantitative and qualitative terms. Two authorities have commissioned consultants to carry out vitality and viability assessments of the town centres in their districts.

ii) These retail studies have included a fairly broad brush assessment of retail development sites and few sites appear to have been allocated in Local Plans as a result of this work.
iii) The retail studies have been carried out at different stages during the Local Plan process. Several of the studies were undertaken during the Deposit Draft and Inquiry stages of the Local Plan preparation process; one was undertaken after the Local Plan was adopted and has therefore formed the basis for a Town Centre Retail Strategy which deals with the need for further retail development and allocates sites accordingly; whilst another which was undertaken after the Local Plan was adopted, has formed the basis for the Local Plan Review.

iv) Several local authorities referred to their own research into retail matters, either preparing in-house shopping studies or monitoring the vitality and viability of town centres. There were, however, no alternative suggestions for methods of identifying the need for additional retail development.

v) Local authorities are becoming more concerned with the importance of examining the ‘need’ for additional retail development. Two authorities were in the process of appointing consultants to carry out shopping studies to investigate retail matters and inform preparation of Local Plan reviews or new Local Plans.

**Inclusion of the Sequential Approach in the Local Plan**

2.5 *The great majority of local authorities interviewed have included a sequential approach in their Local Plans. The extent to which it is included varies between a sequential approach policy, a sequential criterion in policy, reference to the sequential approach in the Local Plan text, and a more general steer for development to be located adjacent to or on the edge of town centres. Most of the local authorities had to amend their Local Plans to include the sequential approach; and in general this was done post Inquiry at the modifications stage. Those local authorities that did not include the sequential approach had already adopted Local Plans or largely completed the Local Plan preparation process. The majority of local authorities interviewed indicated that the sequential approach would be included in their emerging Local Plans. Inclusion of the sequential approach in Local Plans is on the*
basis of the ‘built form’ interpretation rather than the ‘class of goods’ interpretation; and there is no explicit requirement in Local Plans for retailers or developers to be flexible regarding the nature of their proposed developments.

i) Six of the local authorities interviewed adopted their Local Plan before June 1996, and six after June 1996 (Table 2.1). Nine of the local authorities interviewed were in the process of reviewing Local Plans (Table 2.2).

**Table 2.1: Local Plan Adoption**

<table>
<thead>
<tr>
<th>Authority</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wiltshire</td>
<td>August 1993</td>
</tr>
<tr>
<td>Fylde</td>
<td>March 1994</td>
</tr>
<tr>
<td>LB Enfield</td>
<td>March 1994</td>
</tr>
<tr>
<td>Walsall</td>
<td>January 1995</td>
</tr>
<tr>
<td>Bolton</td>
<td>December 1995</td>
</tr>
<tr>
<td>Norwich</td>
<td>December 1995</td>
</tr>
<tr>
<td>LB Hounslow</td>
<td>December 1996</td>
</tr>
<tr>
<td>South Oxfordshire</td>
<td>April 1997</td>
</tr>
<tr>
<td>Northampton</td>
<td>June 1997</td>
</tr>
<tr>
<td>Exeter</td>
<td>November 1993/November 1997</td>
</tr>
<tr>
<td>Darlington</td>
<td>November 1997</td>
</tr>
<tr>
<td>Chichester</td>
<td>April 1999</td>
</tr>
</tbody>
</table>
Table 2.2: Local Plan Reviews

<table>
<thead>
<tr>
<th>Stage</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exeter</td>
<td>Consultation Draft</td>
</tr>
<tr>
<td>South Oxfordshire</td>
<td>Consultation Draft</td>
</tr>
<tr>
<td>LB Hounslow</td>
<td>Consultation Draft</td>
</tr>
<tr>
<td>Fylde</td>
<td>Deposit Draft</td>
</tr>
<tr>
<td>Bolton</td>
<td>Deposit Draft</td>
</tr>
<tr>
<td>Darlington</td>
<td>-</td>
</tr>
<tr>
<td>Walsall</td>
<td>Consultation Documents</td>
</tr>
<tr>
<td>Norwich</td>
<td>Consultation Draft</td>
</tr>
<tr>
<td>Northampton</td>
<td>Early stages</td>
</tr>
<tr>
<td>North Wiltshire</td>
<td>Post Inquiry Modifications</td>
</tr>
<tr>
<td>Chichester</td>
<td>-</td>
</tr>
<tr>
<td>LB Enfield</td>
<td>-</td>
</tr>
</tbody>
</table>

ii) Eight local authorities included the sequential approach in some form in their Local Plans. Four of the local authorities interviewed changed the policies in their Local Plans during the process of preparation, to incorporate the sequential approach. Two local authorities changed the text of the Local Plan to include aspects of the sequential approach. Two authorities considered that they had anticipated PPG6 because their Plans already included a sequential approach, therefore a change was unnecessary.

iii) Those local authorities that changed the Local Plan policies or text to incorporate the sequential approach did so post Inquiry, at the modification Stage. This was either based upon the recommendations of Inspectors, or the Council’s own view that the Plan needed updating to accord with guidance, as follows:-

Although the Inspector for the London Borough of Hounslow UDP considered the Plan in relation to the previous version of PPG6, the
local authority subsequently prepared an Amalgamated Version of the UDP (July 1996) which included the sequential approach in policy;

Fylde Borough Council introduced a sequential approach into policy at the modification stage;

Darlington Borough Council proposed a re-write of shopping policies at the Local Plan Inquiry (November 1995) to take account of the draft PPG6. These changes were accepted by the Local Plan Inquiry Inspector and subsequently incorporated into the shopping policies (June 1997) at the modification stage;

Chichester District Council made a number of changes to the Local Plan to reflect the Inspector’s recommendations (March 1997) to incorporate the sequential approach into policy;

The Inspector for the South Oxfordshire District Council Local Plan Inquiry recommended that the Council would need to have regard to PPG6 when it published its final version (April 1996). The Council subsequently included reference to the sequential approach in the text of the Local Plan under a section on national and strategic background;

Northampton Borough Council incorporated the sequential approach into the explanatory text of the Local Plan at the modification stage, as a result of the Council’s initiative rather than the Inspector’s recommendations.

iv) In general those local authorities that did not amend their Local Plans to incorporate the sequential approach had already adopted the Plans or had carried out the majority of the work before revised PPG6 or indeed PPG13 had been published. In one local authority area, the precedent for out of centre retail development had already been set.
v) The four local authorities (Table 2.3) that have included the sequential approach in policy have done so as follows:-

¶ London Borough of Hounslow UDP includes a sequential approach in the policy for large retail development. The policy covers both food and non-food proposals;

¶ Fylde Borough Council Local Plan includes a policy on out-of-centre retail warehouse parks and out of centre foodstores, which includes a sequential criterion;

¶ Darlington Borough Council Local Plan includes two policies on major new shopping development, a new food stores policy and a retail warehouse policy. Both of these policies include a sequential criterion for assessing new development;

¶ Chichester Local Plan includes a policy on out-of-centre sites - in Chichester, which includes a sequential criterion.
<table>
<thead>
<tr>
<th>Adopted Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LB Hounslow</strong></td>
</tr>
<tr>
<td>New large retail development should normally be located within existing town centres. Where town centre sites are not available, edge of centre sites may be considered appropriate where they are readily accessible by foot from the town centre and can be served by a variety of means of transport. Where retail development is proposed in out of centre or out of town locations the Council will take into account the following criteria:</td>
</tr>
<tr>
<td>i) The effect, either individually or cumulatively, on the vitality and viability of existing town centres as a whole, including the effect on future private sector investment needed to safeguard the vitality and viability in each centre and the extent to which any proposal would put at risk the strategy for each centre.</td>
</tr>
<tr>
<td>ii) The shopping characteristics of the new development e.g. the size of units proposed, type of goods to be sold, etc and the provision of existing facilities…</td>
</tr>
<tr>
<td><strong>Fylde BC</strong></td>
</tr>
<tr>
<td>The Council will normally only permit proposals for out of centre retail development only where all the following criteria can be met:</td>
</tr>
<tr>
<td>2. The proposal would contribute in level or quality or range towards meeting shopping needs;…</td>
</tr>
<tr>
<td>5. The proposed development is within the urban areas, is well related to existing development and could not reasonably be located within or adjacent to a town centre...</td>
</tr>
<tr>
<td><strong>Darlington</strong></td>
</tr>
<tr>
<td>New food superstores or supermarkets will only be permitted provided there would be no damaging impact on the vitality and viability of any of the defined town, district or local centres. Proposals for stores exceeding 2500 m² gross floorspace should be supported by an assessment of their individual and or cumulative impacts on any of these centre. Proposals for superstores or supermarkets outside the existing centres will be permitted only where:</td>
</tr>
<tr>
<td>A. There are no suitable sites available within, or on the edge of, these centres;</td>
</tr>
<tr>
<td>B. The site would be easily accessible by a choice of means of transport; and</td>
</tr>
<tr>
<td>C. The development would not add significantly to overall travel and car use.</td>
</tr>
<tr>
<td>Planning permission will be subject to a condition restricting the hours of operation where residential amenity requires safeguarding.</td>
</tr>
<tr>
<td>New retail warehouses will be permitted within or on the edge of the defined town, district or local centres and fringe shopping areas. Proposals will be permitted elsewhere only provided that:</td>
</tr>
<tr>
<td>A. There are no suitable sites available within the above locations;</td>
</tr>
<tr>
<td>B. They are combined with an existing out of centre retail development, or are within a proposed retail park;…</td>
</tr>
<tr>
<td>Planning permission for proposals other than within the town centre will be subject to conditions…</td>
</tr>
<tr>
<td><strong>Chichester</strong></td>
</tr>
<tr>
<td>Large scale retail uses will be permitted within Chichester settlement policy area, outside the central shopping area, where it is considered that such proposals would not adversely affect the vitality and viability of the existing shopping centre as a whole taking into account the cumulative effects of such existing and proposed development provided that:</td>
</tr>
<tr>
<td>1. The type of goods sold and the form of shopping unit proposed could not be conveniently accommodated within the existing shopping centre, or where suitable sites or buildings suitable for conversion are not available within the centre, on edge of centre sites;…</td>
</tr>
</tbody>
</table>
vi) Two local authorities considered that the sequential approach was already included in their Local Plan, prior to PPG6, as follows;

\| Walsall UDP includes several policies on large out-of-centre schemes. The Council considers a sequential type of approach is included in policy, as follows:

‘Retail developments that might otherwise be considered for out of centre locations because they cannot be practicably or appropriately accommodated on sites within centres will where appropriate be encouraged to use edge of centre sites, where they can contribute towards the amenities of those centres. Any such developments must however be carefully integrated with these centres.’

\| Norwich City Council Local Plan includes two criteria based policies for assessing new development, one for food and the other for non food. The Council consider that these policies accord with the sequential approach, as follows:-

‘Major convenience foods stores will be supported and promoted on the edge of the city centre (A) At Riverside (B) At Anglia Square;

Other proposals for convenience goods stores will only be acceptable provided that:

i) …

ii) They are close to a substantial area of existing or proposed residential development from which good pedestrian, cycle and public transport access either is, or can be provided;…

Proposals for retail warehouse development outside the City centre may be accepted provided that they are for uses requiring a large site
and selling a large proportion of bulky goods and they conform to the following criteria:

i) …

ii) A demand for the amount and type of floorspace proposed is demonstrated, taking account of the availability of sites suitable for retail warehouse development in or adjacent to the City centre;…

vii) All of those local authorities that have included a specific sequential approach in policy have therefore followed the ‘built form’ interpretation. This seeks to find a site which is large enough to accommodate the proposed floorspace. In contrast, the ‘class of goods’ interpretation seeks to accommodate retail development selling the proposed goods, rather than the proposed floorspace. The policies are generally positively worded and permissive of proposed development, provided certain criteria are met.

viii) The Local Plans that do not include a sequential approach, do comply with the broad thrust of PPG6, by seeking to focus on maintaining and enhancing town centres.

ix) The majority of local authorities currently reviewing Local Plans indicated that the sequential approach will be included in revised retail policies (Table 2.4). It appears that policies continue to be permissive of proposed development, providing certain criteria are met, including a sequential approach.
Table 2.4 Proposed Local Plan Sequential Approach Policies

<table>
<thead>
<tr>
<th>Draft Policy</th>
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| **LB Hounslow** | In considering applications for new retail development the Council will normally adopt a sequential approach whereby new retail development should normally be located within existing town centres. Where town centre sites or buildings suitable for conversion are not available, edge of centre sites, followed by district and local centres should be considered next. Only following the consideration of these locations should out of centre locations be considered and only then where they are readily accessible by a choice of means of transport. Where retail development is proposed the council will take into account the following criteria: …
| vi) Proposals should avoid the sporadic siting of retail development out of centres and/or along road corridors… |
| **Fylde** | The Council will only permit large new retail development in out of centre locations where all the following criteria can be met:
| 1 No suitable sites are available within town shopping centre or edge of shopping centre locations; or the proposed development by nature of its size, land requirement or likely vehicle generation would be inappropriately located within or on the edge of a town centre area… |
| **North Wiltshire** | New shopping development within the towns but outside their defined centres, will only be permitted where the proposal:
| 1. Would be located on the edge of the town centre, where no town centre site is available; or exceptionally, requires accommodation of a size which cannot be made available on a town centre or edge of centre site; or serves only local needs;
| 2. Either by itself, or cumulatively with other shopping development, would not have a seriously adverse effect upon the vitality or viability of any nearby town centre;
| 3. Would not be sited on land allocated for other uses, or prejudice the implementation of any town centre proposals;
| 4. Would be readily accessible by a choice of means of transport, and would help reduce reliance on the use of private cars, and the related growth in polluting emissions; …… |

Consultation with the private sector to identify sites

2.6 There appears to have been very little consultation to identify Local Plan retail development sites. Instead, the consultation occurred as part of the Local Plan process, once the sites had been identified. Local authorities are however increasing the degree of collaboration with the private sector to identify development sites, particularly through town centre partnerships.

i) The majority of local authorities interviewed did not provide evidence of consultation with the private sector to identify the retail development sites
currently allocated in their Local Plans. The main consultation appears to occur after the sites have been identified, for example during the formal consultation process on the Local Plan.

ii) Two local authorities suggested that developers / the private sector had been heavily involved in processing or identifying town centre sites. In general, the distinction between consultation with the private sector to identify Local Plan development sites, and on proposed developments or application sites, was somewhat blurred. The majority of local authorities are collaborating with the private sector on certain development proposals.

iii) More recently, local authorities appear to be more proactive in consulting with the private sector to identify retail development sites, often through town centre partnerships or informal briefings. For example, Exeter City Council has a City Centre Management Partnership, which will consider the areas of development potential that will feed into the First Review. The Partnership includes retailers and land owners in the city centre.

Allocation of Retail Development Sites in the Local Plan

2.7 Only just over half of the local authorities interviewed have allocated retail development sites in their Local Plans. Where sites have been identified, the allocation has tended to be very generalised. The majority of Local Plans do not draw distinctions between the location of sites, in terms of in or edge of centre. The majority of local authorities currently producing Local Plan reviews indicated that they will be allocating sites in their new Plans, although little evidence was forthcoming on the process for site allocation. Some local authorities identify retail development sites through the Town Centre Strategy / Action Plan development process.

i) Only seven of the Local Plans include sites allocated for retail development. In one case the sites identified were those with outstanding proposals rather
than sites allocated for future retail development. In the majority of cases, the development sites identified were allocated for ‘shopping’ or ‘retail’, rather than specifically for food or non food shopping. The number of sites identified in Local Plans was generally limited to fewer than five. Two Local Plans identify general development opportunity sites where a mix of uses would be appropriate, including retail.

ii) Those sites identified for retail development in Local Plans appear to have arisen from long standing interests. It is the long history of development potential on a site that has resulted in an allocation in a Local Plan rather than the sequential approach per se.

iii) Only two Local Plans appear to allocate out of centre sites as suitable for retail development. The other allocations are all town centre or edge of centre, although such a distinction is generally not drawn in the Local Plan. One of the Local Plans allocating an out of centre location for retail warehousing development does so as a result of a planning regime introduced on this site, prior to PPG6.

iv) The majority of local authorities interviewed indicated that they would be allocating retail development sites in their Local Plan reviews. However, little evidence was forthcoming on the process for site allocation. One local authority raised a concern over ‘blight’ as a result of a Local Plan designation.

v) Several local authorities have now identified potential retail development sites, although these have yet to be incorporated into Local Plans. For example four local authorities have identified retail development sites in town centres as part of their town centre strategies, and another has identified sites during the preparation of Town Centre Action Plans. Only one local authority has formally adopted the Town Centre Strategy as Supplementary Planning Guidance.
Definition of Edge of Centre

2.8 In general local authorities have not given detailed consideration to a definition of edge of centre, either in policy, in terms of site allocations in Local Plans, or in terms of functional relationships and linkages. Several of the emerging Local Plans have started to consider edge of centre, although in general definitions lack detail. In practice local authorities appear to have struggled with defining edge of centre in relation to development sites.

i) All six of the local authorities that include a sequential approach in policy refer to edge of centre or adjacent to centre locations as preferential to out of centre. However, the Local Plans do not define what is meant by an edge of centre location.

ii) Only three local authorities provided details of their definition for assessing edge of centre sites in emerging Local Plans. The definitions include:

- Sites that are readily accessible by foot from the town centre and can be served by a variety of means of transport;

- Sites that are within easy walking distance of the primary shopping area for shoppers walking to and from a store. Most shoppers are unlikely to wish to walk more than 200 to 300 metres, especially when carrying shopping. The distance should normally be measured over the distance that pedestrians would have to walk into the centre to the other main shops and to catch public transport.

- Sites that are 200-300 metres from the prime, provided they are directly linked by a safe route.

iii) The majority of sites identified in Local Plans are not classified by local authorities in terms of in or edge of centre. One local authority has an informal definition of edge of centre sites, namely those that have a frontage to
or adjoin the inner ring road. These sites are, however, more than 300 metres from the prime shopping area. One local authority in identifying retail development sites in the Town Centre Retail Strategy has distinguished sites which are city centre (within the city walls) and edge of centre (close to the city centre, although not all are within 200m to 300m of the edge of the primary shopping area). In this case the extenuating circumstances which made the selection of sites further than 300m from the prime retail area acceptable was the constrained, historic nature of the city centre.

iv) Several local authorities mentioned recent or current retail developments, particularly foodstores, where sites had been considered to be edge-of-centre. One local authority was in the process of considering the extent to which linkages between the proposal site and the remainder of the town centre, resulted in its classification as edge of centre.

**Preparation of Town Centre Strategies**

2.9 *Local authorities appear to be becoming more proactive in the development process.* The majority of local authorities have recently prepared, or are in the process of preparing town centre strategies. These include an assessment and identification of retail development sites. The majority of local authorities have also produced Development Briefs to facilitate development proposals, and these are generally for town centre schemes. *One area where local authorities are not currently particularly active is in the use of Compulsory Purchase powers, although most indicated that they would use such powers if necessary.*

i) Six local authorities have Town Centre Strategies or Action Plans for their town centres, four of which have been prepared or commissioned by town centre partnerships. In two other authorities, work is starting on town centre strategies. In some areas these strategies focus on management and small
scale town centre improvement issues. However, five of the strategies identify
town centre development sites and the options for implementation.

ii) Nine of the local authorities cited specific examples of Development Briefs
which were prepared to facilitate development. These were all for town centre
sites.

iii) Six local authorities indicated that they would make Compulsory Purchase
Orders for site assembly, if necessary. None of the authorities was able to
give examples of recent cases where CPO powers had been used.

Recent Development Proposals

2.10 *In general the pressure for out of centre development has slowed recently, except
where the precedent for out of centre development has already been set, or there is a
policy favouring out of centre development in certain locations such as existing retail
parks. It is generally authorities in the larger urban areas that have continued to
come under some pressure for out of centre development. This pressure is mainly for
retail warehouses or other non-food development. Local authorities appear to have
been trying to resist out of centre development and/or maintain the vitality and
viability of their town centres since well before the sequential approach, but often
with little success. Since, the sequential approach was introduced, they have been
more successful in opposing out-of-centre proposals.*

i) Six local authorities indicated that they were continuing to receive some
development proposals which do not comply with the sequential approach.
These are mainly authorities in larger urban areas, including free-standing
towns, metropolitan districts and London Boroughs and an authority adjacent
to a large urban area. The majority of pressure is for retail warehouse
development, and local authorities have generally managed to refuse these
development proposals in recent years.
ii) The majority of local authorities indicated that they received considerably more pressure for out of centre development in the early 1990s, which was often difficult to refuse. For example in South Oxfordshire, the District Council refused two out of centre foodstores; but both subsequently went to appeal and were granted permission in 1991 and 1993. The key issue at one Inquiry was the lack of a viable town centre alternative, and at the other was that the town centre alternative was being pursued in any event.

iii) Whilst the general thrust by local authorities has been to refuse development proposals which do not comply with the sequential approach, there have been some anomalies. The main reasons for authorities granting permission for out of centre development, have been perceived regeneration benefits as a result of the new development, such as employment creation and derelict land revitalisation, or that a precedent already existed for out-of-centre development in that location.

iv) The majority of local authorities have indicated an increased involvement in town centre development proposals. This cannot necessarily be solely attributed to the introduction of the sequential approach, but is also a reflection of growth in retail expenditure in recent years.

v) Most local authorities have indicated that applicants now submit a sequential approach assessment in conjunction with information supporting planning applications; and these are usually critically checked by local authorities. Several local authorities indicated cases where they were involved in the sequential approach work.
3. The Effects of the Sequential Approach on Developers

3.1 This section sets out the findings from the interviews with retail developers. Six developers were interviewed, including two large developers/institutional investors, one factory outlet centre developer, one food store developer and two food/non food developers.

3.2 The findings of the developer interviews are presented by theme, as follows:-

- General planning matters
- Introduction of the sequential approach
- The process of site identification
- Location of new development
- Development programme
- Edge-of-centre issues
- Submission of planning applications
- Flexibility of developers
- Involvement in the Local Plan process
- Consideration of need
- Collaboration with local authorities on site identification
- Collaboration with local authorities on site development
- Local and Central Government decision making.

3.3 It should be noted that where ‘all developers’ are referred to, the evidence is based only upon those developers interviewed rather than all developers.
General Planning Matters

3.4 *The majority of developers do not have in house planning teams; they use planning consultants as appropriate on particular schemes. For several of the large developers planning is dealt with at the executive/director level, with direct lobbying of Government on policy matters and membership of influential organisations.*

i) Only one developer has an in-house planning team. This team has expanded and diversified over the last few years; and now includes a political auditor to liaise with local authorities.

ii) In both of the larger developer/institutional investor companies, executives/directors seek to influence planning policy at the Central Government level through lobbying and affiliation with organisations such as the British Council of Shopping Centres (BCSC), British Urban Regeneration Association (BURA) and the English Historic Towns Forum (EHTF).

iii) All of the developers appoint planning consultants, as appropriate to work on specific schemes. Developers also mentioned the appointment of lawyers, solicitors and public relations consultants.

Introduction of the Sequential Approach

3.5 *In general the sequential approach has been informally subsumed within company practice and decision making, rather than being formally introduced.*

i) None of the developers specifically reported in isolation the introduction of the sequential approach to their Board. However, all the developers made the Board aware of it through reporting on the development programme.

ii) One developer specifically reported general changes in the UK planning system and the implications for the development programme.
The Process of Site Identification

3.6 The majority of developers have introduced the sequential approach as a criterion in the process of identifying development sites. However, the importance of a ‘sequential’ criterion appears somewhat limited; because the two large developers/institutional investors are mainly enhancing existing assets in town centres, and two other developers are currently only developing existing consents. The need to focus retail development in town centres was regarded as prevalent prior to June 1996. One developer suggested that PPG6 has forced sequential issues on to the agenda earlier in the overall process of development.

i) Four of the developers have introduced the sequential approach as a criterion or consideration in site identification. Two of these developers indicated that they are constantly approached by land owners and agents with development sites, but the majority of these have to be disregarded because they are green field.

ii) Whilst developers indicated that the sequential approach had been included in the decision making process, two of them pointed out that the majority of their developments utilise existing consents and therefore sequential issues have not yet arisen for them.

iii) Two developers are largely concentrating on enhancing existing assets/shopping schemes in town centres and therefore it has not been necessary to incorporate sequential issues into the decision making. However, these developers did not comment on the effect of the sequential approach on their retail warehouse or factory outlet centre site identification.

iv) Three developers were already considering the need to develop in town centres prior to June 1996; because the sequential preference and the end of out-of-centre development were considered evident in PPG13, and established at appeals. Two developers incorporated sequential issues into decision making by a process of trial and error. Examples were given of appeals on
out-of-centre sites lost during the mid 1990s, and the consequent need to focus development in town centres.

v) One developer suggested that sequential issues have become important earlier in the site identification process as a result of PPG6.

**Location of New Development**

3.7 Only one developer has altered the location of new development to focus on more central sites. Two developers were already focusing on town centres. Three developers do not appear to have changed the location of new development. The main location where the evidence indicates a change, is the increasing focus on edge-of-centre development. Two developers provided evidence of an increase in edge-of-centre developments, particularly over the last two years.

i) Two of the developers have not changed the location of developments as they are seeking to enhance existing assets in town centres, through refurbishment and expansion.

ii) Three developers, whilst indicating that the sequential approach has been incorporated into the decision making process, do not appear to have significantly altered the location of new development. Evidence provided by one of these developers, shows the continuation of out-of-centre development and no town centre development; although it did illustrate the introduction of edge-of-centre developments in 1999 and 2000. This developer considered that the pattern of development reflected the requirements of the retailers for which they develop units, i.e. bulky goods retail warehouse operators. Whilst the other two developers appear to have moved away from greenfield sites, the majority of schemes discussed were on non-central sites.
iii) Only one developer indicated a distinct change in the location of new developments. This change was attributed to the changing planning emphasis, including S54a of the Town and Country Planning Act, and the sequential approach and presumption against out-of-centre development. The evidence provided illustrated a focus on more central sites, albeit edge-of-centre rather than town centre locations.

iv) One of the mainly out-of-centre developers, indicated that rather than pursue new town centre options in the future they would seek to implement extant permissions for extension of existing developments. However, they may also look at existing town centres/high streets to see if there were possibilities for taking them over for large-scale redevelopment.

Development Programme

3.8 There is no clear pattern in the development programme of the developers interviewed. Whilst three developers indicated a decline or halt in development this is largely a reflection of other factors, including saturation of the development market for the format they have developed and a commercial decision to change direction. Developers are now less optimistic about obtaining planning permission as a result of the sequential approach, and as a result are taking less risks in pursuing sites than before it was introduced.

i) The four developers, not involved in enhancing existing town centre assets indicated the following pattern of developments:

- a gradual decline in the development of retail units. However, this trend is evident throughout the 1990s; and although attributed to the sequential approach by the developer it is unlikely to be solely the result of its introduction in June 1996;
a halt in the development of food stores; although this is the result of a commercial decision rather than planning decisions;

a halt in the UK development programme due to market saturation;

an expansion in developments in England since 1996/97.

ii) Three developers referred to the higher costs of developing in town centres; because the costs of buying land from many different owners are greater, and the timescales are longer (3-4 years in town centres) compared with 18 months out-of-centre.

iii) One developer was not convinced that there is any evidence of damage to town centres as a result of out-of-centre development.

iv) Three developers said that they are now taking fewer risks in obtaining sites than before the sequential approach, as a result of greater uncertainty about whether planning permission can be obtained.

Edge-of-centre

3.9 Notwithstanding the evidence of an increase in edge-of-centre developments, the developers in general made very few comments about edge-of-centre issues. There is some concern that the distance rule of thumb is an inappropriate method for determining whether or not a site is edge-of-centre.

i) One developer considered that often with edge-of-centre developments local issues get in the way, particularly as there are no definitions of pedestrian access and linkages.

ii) Two developers indicated that the distance rule of thumb is inappropriate, and there are other influential factors, such as topography. It was stated that the
relevance of any particular distance depends upon the individual town or city centre.

Submission of a planning application

3.10 Developers now submit sequential approach assessments with planning applications. However, in reality these appear merely to pay lip service to the sequential approach. None of the assessments analysed found any more suitable, viable or available site for the proposed development, mainly because alternative sites were not large enough to accommodate the scale of development proposed. Thus developers universally apply the ‘built form’ interpretation of the sequential approach as described in Section 1.

i) All of the developers, with the exception of those focusing on existing town centre assets are now submitting a sequential assessment with planning applications.

ii) Several developers referred to the increasing burden and time taken to submit a planning application, in terms of all the necessary supporting information.

iii) Three developers were able to provide copies of sequential test assessments. None of these identified any sites which were more appropriate in sequential terms than the proposal site. The main determining factor appeared to be the size. The alternative sites were not of a sufficient size to accommodate the retail development of the format proposed, i.e. large, single unit bulky goods warehouse, factory outlet centre, or discount non food retail warehouse club; all with adjacent surface car parking.

Flexibility by Developers

3.11 In general there is a lack of evidence of flexibility on the part of the developers, to accommodate new schemes on more central sites.
i) Four of the developers did not give any evidence of increased flexibility in terms of the schemes developed.

ii) One developer indicated flexibility in terms of the size of site developed, referring to a recently developed scheme on a smaller site (8 acres rather than the usual 20 acre site). However, the extent to which this was a planning or a commercial decision was not clear, or the extent to which it would be repeated elsewhere.

iii) One developer indicated that they have become increasingly flexible in terms of the foodstores developed, in order to meet the requirements of food retailers for smaller stores to serve local catchments. This has been more the result of market saturation for large superstores than the sequential approach.

Involvement in the Local Plan Process

3.12 *There appears to be little involvement by developers in the Local Plan process because the timescales are too long and do not fit with the development timescales.*

i) None of the developers monitors Local Plans on a regular basis.

ii) Five of the developers do not appear to get involved in the Local Plan process. Where reasons were given, developers referred to the length of the Local Plan process which is too long winded, and that the Local Plan timescale often does not fit with development timescale. One developer stated that they are application driven not plan driven to secure consents.

iii) One developer indicated that if they had a site in an area they may instruct consultants to get involved in the Local Plan process.
Consideration of Need

3.13 The issue of need is given very little consideration by developers. There appears to be a general assumption by developers that their proposed development is needed, and can be justified in terms of retail capacity.

i) For the majority of developers need does not appear to be a specific consideration. Only one developer commented that the issue of need was unclear.

ii) No reasons were given for the lack of consideration of need. However, this could be because ‘need’ in commercial terms is an automatic requirement for investment in an area.

iii) One developer gave an example of a case where need was an issue. One developer indicated that all the Retail Impact Studies submitted were concerned with demonstrating capacity rather than impact.

Collaboration with local authorities on site identification

3.14 In general there is very little collaboration between developers and local authorities on site identification, largely because they feel it could prejudice their position from a commercial point of view.

i) None of the developers appear to collaborate with local authorities on site identification.

ii) In general reasons were not really given for the lack of collaboration. However, two developers suggested that it would prejudice their position if they came out in favour of a site too early in the process, and they have to wait until they have an option on a site.
Collaboration with local authorities on site development

3.15 All of the developers have increased pre-application discussions with local authorities, although this was not necessarily attributable to the sequential approach. Developers were not forthcoming on the reason for increased collaboration, other than it was the best way of securing consent. Developers are divided in their opinions on CPO powers; which are either regarded as essential to the functioning of the sequential approach or too unreliable ever to be considered.

i) Five of the developers referred to the increased level of collaboration with local authorities at the pre-application stage. Developers stressed that increasingly they had to ensure that local authorities understood their proposals in order to obtain permission. Examples were given of schemes where developers had interacted with local authorities.

ii) One developer suggested that to ensure consent for a scheme they had to influence Members through lobbying and public consultation.

iii) One developer suggested that they had to increase collaboration with local authorities, because the only way to proceed was in conjunction with the local authority which held planning, land ownership, and CPO powers.

iv) One developer suggested that although the level of collaboration with local authorities had increased, their schemes were favoured anyway as they are town centre based.

v) One developer referred to local authorities becoming more pro-active, and one developer referred to slightly more pro-activity; although overall they thought that local authorities were still largely reactive.

vi) One developer suggested that there is a need for CPO powers to be used more, so as to give ‘teeth’ to the sequential approach. One developer suggested that they would never rely on CPO powers because of the uncertainty involved.
One developer suggested that there is already more support from local authorities in terms of site assembly through CPOs; and local authorities are increasingly willing to back developers.

**Local and Central Government Decision Making**

3.16 The developers raised a variety of complaints with regard to the sequential approach in the decision making process; including the increased importance of local politics rather than the sequential approach, the element of unfair competition introduced as a result of the sequential approach, use of the sequential test as a moratorium on out-of-centre development, and inconsistencies with the application of the sequential approach.

i) One developer suggested that local politics are becoming increasingly important in decision making; and can be more important than planning in the decision making process.

ii) One developer referred to the increased use of Judicial Review by competitors, as a way of defending their market shares and delaying rival schemes.

iii) One developer raised the concern that the balance has become too firmly tilted towards town centres. For example local authorities are increasingly using the sequential approach as a method of refusing out-of-centre development. If a site is not town centre or at least edge-of-centre it is dismissed, rather than considering whether it should be allowed out-of-centre.

iv) Two developers referred to the level of unfair competition that the sequential approach introduces. For example if developers take town centre sites they cannot compete with more profitable edge-of-centre stores which have an unfair advantage because of lower cost. Another concern is that competitors put in applications on town centre sites, to inhibit out-of-centre proposals;
although the competitors have no intention of taking forward the town centre proposals, and they are spoiling applications.

v) One developer suggested that if a local authority is desperate for employment it will take a more flexible view on the application of the sequential approach.

vi) One developer stressed that there is inconsistency in the application of the sequential approach in the decision making process, and it is regarded as a lottery. There is inconsistency on the part of local authorities, Planning Inspectors and the Secretary of State.
4. The Effects of the Sequential Approach on Food Retailers

4.1 This section sets out the findings of the interviews with food retailers. Seven food retailers were interviewed, including all the main supermarket operators and a discount food retailer.

4.2 The findings of the food retailer interviews are presented by theme, as follows:-

- General planning matters
- Introduction of the sequential approach
- The process of site identification
- Location of new stores
- New store development programme
- Edge-of-centre issues
- Submission of planning applications
- Flexibility of retailers
- Involvement in the Local Plan process
- Consideration of need
- Collaboration with local authorities on site identification
- Collaboration with local authorities on site development
- Local and Central Government decision making

4.3 It should be noted that where ‘all food retailers’ are referred to, the evidence is based only upon those food retailers interviewed rather than all food retailers.
General Planning Matters

4.4 For food retailers, planning is a high priority; and they either have in-house planning teams and/or employ specialist retail consultants.

i) Four of the food retailers have in-house planning teams and one retailer has an estates team which includes planners.

ii) All of the food retailers use specialist retail planning consultants. They are either used as appropriate on particular schemes or on a continual basis.

iii) Most of the food retailers have regular internal briefings, bulletins, etc on planning issues.

iv) One food retailer referred to the increased importance of planning during the 1990s with the emergence in Government policy of a ‘plan-led’ system (S54a, Town & Country Planning Act, 1990).

Introduction of the Sequential Approach

4.5 All of the food retailers are fully aware of the sequential approach and its implications for company decision taking and new store development. With the exception of one, all of the food retailers indicated that they were already considering sequential issues and the need to focus new retail development on town centres prior to the formalisation of the sequential approach in policy in June 1996.

i) Four food retailers formally reported the introduction of the sequential approach in PPG6 to the Board, either at the consultation draft stage or once it had been formally introduced into policy in June 1996.

ii) Two food retailers do not appear to have formally report the sequential approach. One considered that sequential issues had already been assimilated
into company policy/decision making; and the other has always mainly operated town centre based food stores.

iii) Those food retailers that formally reported the sequential approach to their Boards also reported on the implications for company decision making. However, these retailers emphasised that they were already aware of sequential issues and the need to focus new retail development on town centres. Indeed one food retailer had already put together a corporate development strategy to focus new store development in town centres. They learnt from experience (lost Appeals and Call Ins) in the mid 1990s that the planning situation was changing.

iv) One retailer stressed the importance of ensuring that the sequential approach was understood at Board level, so that the Board realised the problems with trying to develop out-of-centre sites and the need for a change of approach.

The Process of Site Identification

4.6 The sequential approach has been introduced as a criterion in the decision making process, by the majority of food retailers. However, for most food retailers, their planning team and consultants appear to be reactive in the overall process of identifying sites for new development, which is led by the retailing function. Therefore, the extent to which the sequential approach in itself positively guides new development is questionable.

i) Planning is pro-active in the process of site identification for only one food retailer. This retailer’s planners take the lead in identifying sites for new development, for example they search Development Plans for sites with planning prospects. This food retailer has certain criteria for site identification which include the need to focus on town centres. This was the only food retailer to indicate that the criteria for site identification have significantly changed, becoming more formalised and focusing to a greater degree on town
centres. In the past development was more ‘opportunity led’. For example a
town was chosen and the retailer usually tried to develop any site suitable for
their operation, apart from those subject to unbreakable policies, such as
Green Belt. However the reason for this change was not just the sequential
approach, rather it was the greater importance of planning in the plan-led
system. The indication was also that it is only really when there are rival
schemes on alternative sites that the sequential approach became an issue.

ii) Planning is re-active in the process of site identification for four of the food
retailers; for whom the retailer’s planners advise on sites that are put forward
by developers or internal property and site acquisition teams. The planners
assess whether the sites put forward have prospects of obtaining planning
permission, which would include consideration of sequential issues.

iii) Only one food retailer indicated that if during consideration of sequential
issues a more appropriate central site emerged it would be considered over and
above the proposal site. However, the retailer was unable to provide any
evidence of this.

iv) One retailer clearly indicated that they do not take a ‘helicopter view’ of a
town looking for the most central sites; but rather when a site comes along the
planners assess whether they think it will get planning permission. This
assessment would include a review of sequential issues.

v) Where retailers indicated criteria for new foodstores, these included footfall,
accessibility, size and catchment population, as opposed to a central location.
However, generally retailers were not forthcoming on the precise nature of
their criteria.
Location of new stores

4.7 The majority of food retailers consider that there has been a change in the location of new stores, with a focus on more central (town centre and edge-of-centre) sites. However, the reason for this is partly commercial and partly a result of the changing planning regime. Four food retailers provided evidence of new store openings, supporting the position that the focus for new stores is on more central sites. Several food retailers expressed the view that it has taken a long time for the implications of the sequential approach to be reflected in the location of new stores, mainly because of existing consents and commitments, and the long lead times for development.

i) Five food retailers indicated that there has been a change in the location of new stores, toward more central locations.

ii) Four retailers provided schedules of new store openings and their view on the location of these stores. From these a change in new store locations is evident:

- One retailer indicated the opening of twice as many edge-of-centre and town centre stores as opposed to out-of-centre stores in 1999; compared with no town centre stores and 5 edge-of-centre and 4 out-of-centre stores in 1998.

- One retailer indicated a halt in the development of out-of-town stores since 1996/7; a decline in new out-of-centre stores from 6 in 1996/7 to 1 in 1999/00, and an increase in new town centre stores from 1 to 4 over this period.

- One retailer indicated that no new out-of-centre stores had been developed since 1995, although this was a mainly town centre based retailer.
One retailer indicated the opening of only 2 out of centre stores in 1998/99, 5 town centre and 8 edge of centre stores; compared with 14 out of centre stores, 3 town centre and 5 edge of centre stores in 1994/95.

iii) Most of the food retailers considered that the change in store locations is likely to be partly a result of the maturity / saturation of the UK food retailing market and partly a result of the changed planning regime.

iv) Several retailers referred to their origins as traditional high street retailers, and emphasised that rather than a complete change in store locations they were now focusing more on their town centre portfolio. It was emphasised that they operated stores in all locations, including town centres, edge-of-centre and out-of-centre; and now the balance has merely changed and they are focusing more on town centre locations. A concern raised was that some food retailers were perceived solely as out-of-centre operators, when the majority of their stores are town centre based and always have been.

v) One food retailer considered that the sequential approach was introduced almost ‘over night’, and they had accordingly not adjusted their decision making prior to June 1996.

vi) Several retailers indicated that it has taken time for the effects of the sequential approach to filter through into the new store development programme. In some instances there was a reluctance on the part of surveyors / developers to accept the policy change; and elsewhere the development programme was so far advanced that changes could not be introduced. Where evidence of new store openings was provided, a time lag of at least two years was evident before there were changes in the location pattern of new store openings.
New Store Development Programme

4.8  New store development has not been halted by the sequential approach. However, a number of difficulties with developing in town centres were raised, including increased cost of sites, and problems with site assembly due to multiple ownership.

i) Although several retailers consider that there has been a decline in the number of new store openings, the evidence of this was less forthcoming. For example only one retailer provided evidence of a decline in new store openings from 11 in 1996/7 to 6 in 1999/00. For another retailer the evidence failed to support their view that the number of new store openings had declined.

ii) It was suggested that the current price wars amongst retailers was putting pressure on the available expenditure for new stores, and a consequence would be a further reduction in the number of new store openings in the future.

iii) One food retailer indicated that the decline in available sites in town centres, as competition for them increased, has perversely changed their approach from largely town centre based to more opportunistic. For example they had had to take an out-of-centre opportunity as opposed to a town centre site to ward off competition.

iv) Four of the retailers raised difficulties with the development of town centre stores. The problems included the price of sites in town centres, which has increased because of the competition for available sites; the difficulties with the planning process; and site assembly which is more difficult because of multiple ownerships.

v) One retailer compared the problems of developing town centre sites with the ease with which out-of-centre sites were developed, particularly in terms of acquisition, planning, construction, operation and servicing.
**Edge-of-Centre Issues**

4.9 *Food retailers unanimously consider the distance rule inappropriate in terms of defining edge-of-centre. The whole issue of edge-of-centre development is regarded as unclear, too rigid and too prescriptive.*

i) The food retailers do not agree with the use of a distance rule of thumb for defining edge-of-centre. It was considered as too prescriptive or too rigid; and the key issue should be the functioning of parts of the town centre rather than where a line is drawn on a map. For example a town centre could be very large and people may not walk any further beyond the core shopping area. It was suggested that the definition should relate to the town centre in terms of function, geography and topography.

ii) One retailer considered the current guidance unclear, in terms of where the measurement should be taken from, and whether it should be the edge of the shopping area or the prime retail location.

iii) Several food retailers considered that local authorities are inconsistent in their definitions of edge-of-centre.

iv) One retailer raised the issue of linked trips, between edge-of-centre stores and the remainder of the town centre. It was considered that customers of edge-of-centre stores often drive from these store into town centres. It was suggested that linked trips is a subject on which further research in needed.

**Submission of planning applications**

4.10 *All of the food retailers prepare a sequential site assessment to submit in conjunction with planning applications.*
i) All of the food retailers instruct consultants to prepare a sequential approach assessment on their behalf, for submission with planning applications.

ii) For the majority of food retailers the sequential approach assessment is an exercise which is carried out once a site is acceptable in commercial/company development strategy terms. It is an exercise which retailers have to satisfy, or another ‘box to tick’.

iii) One food retailer provided an example of a sequential approach assessment. This involved a comprehensive assessment of sites identified within a 300 metre radius of the boundary of the primary shopping frontage and in the Local Plan. None of these sites was found to be suitable by the retailer for a major foodstore development.

**Flexibility by Food Retailers**

4.11 *The majority of food retailers have introduced new smaller store formats. However, this is not necessarily a result of the sequential approach, but rather a commercial decision. The new formats referred to vary from new smaller high street stores to slightly smaller superstores carrying fewer lines. Only one food retailer referred to the introduction of a slightly larger format. There is limited evidence of food retailers being flexible about their car parking requirements.*

i) Two of the main food retailers have introduced new smaller high street store formats. These were in the pipeline prior to the introduction of the sequential approach in June 1996. The reason for the introduction of these new formats included commercial aspects such as the wish to attract the more specialist ‘urban’ market, and the changing planning regime.

ii) Two food retailers have introduced slightly smaller stores. For example one retailer referred to the development of stores of less than 1,858 sq m, containing fewer varieties of each product. The other retailer referred to the
development of smaller 3,716 sq m (40,000 sq ft) gross stores, although indicated that high street formats would not be introduced.

iii) One mainly town centre based retailer, has modestly increased store sizes (from about 1,394 to 1,858 sq m, to about 1,858 to 2,323 sq m) to compete more effectively with other food retailers. The formats that this retailer operates have also changed in terms of the range of goods sold.

iv) Four food retailers indicated that they have a range of store formats, relating to different locations. They are therefore flexible in terms of the type of store appropriate to the location. An issue is that not every format is appropriate for every location; but the formats do relate to specific locations, e.g. city centre, market town, suburban area, retail park, etc.

v) One retailer indicated flexibility in terms of requirements such as car parking and site size. However the requirement that remains fixed is the need to provide between 743 and 1,300 sq m of sales floorspace.

**Involvement in the Local Plan Process**

4.12 The majority of food retailers are involved to a certain degree in the Local Plan process. The level of involvement varies from regular monitoring, to representations (if appropriate) on a particular scheme. The food retailers have always been involved in the Local Plan process and this is not therefore a reflection of the sequential approach.

i) Four retailers are involved in the Local Plan process, two of whom actively monitor Local Plans, making representations and appearing at Inquiries on a regular basis. The other two are involved if appropriate or the opportunity arises on a particular scheme. These retailers have always been involved in the Local Plan process.
ii) Those retailers that are not involved in the Local Plan process largely consider that it is too slow and could prejudice their options on sites in the future.

Consideration of Need

4.13 The food retailers tend to regard ‘need’ as an issue for local authorities to deal with, as part of the Local Plan process. They consider that to date local authorities are dealing with it inadequately.

i) Two food retailers considered that local authorities have usually not adequately dealt with the issue of need in Local Plans. For example they frequently do not examine the need for small food stores; or where need is considered it is only in capacity terms, rather than looking at qualitative issues.

ii) One food retailer considered that there is much inconsistency in the extent to which local authorities consider need.

iii) One retailer considered that a key issue should be the town centre strategy, rather than local issues, or retailers’ definitions of need.

Collaboration with local authorities on site identification

4.14 In general the food retailers have not increased collaboration with local authorities in site identification. The reasons for lack of collaboration include local authorities’ preference for their own sites, timescales, local politics, increased costs through hope value, and the need for commercial confidentiality.

i) Only one food retailer suggested that local authorities have become more proactive in terms of identifying development opportunities since the sequential approach was introduced.
ii) Only one food retailer liaises with local authorities to work out where new stores could go in a town centre.

iii) Retailers are not collaborating with local authorities on site identification / development for a number of reasons such as:

- local authorities will only identify their own sites for new development, and then tender the sites on the open market; which means that the retailer which originally identified the site for a proposed foodstore can lose it to a competitor;
- consultants acting for local authorities can obstruct the process;
- the time taken with local authorities tendering the sites is a deterrent;
- identifying a site can increase future land values;
- involvement with local authorities in the process of site identification is too time consuming;
- site identification is confidential until an option has been secured;
- local authorities are not specialists at retailing or not sufficiently commercially aware;
- the ideal site sequentially is not available for political reasons.

iv) One retailer is wary of local authorities because of previous experiences. For example, a local authority directed them to a town centre site which was less than ideal for their requirements, but a competitor was then allowed to develop an out-of-centre site, as all the town centre opportunities had been taken up.
Collaboration with local authorities on site development

4.15 In general the amount of collaboration with local authorities has increased once the site has been chosen, in terms of pre-application discussions and the working up of schemes. There is, however, little interaction with local authorities in terms of the use of Compulsory Purchase Powers to facilitate food store development.

i) Food retailers are carrying out a greater degree of consultation with local authorities at the pre-application stage, and schemes are often discussed and worked up jointly with the local authority. It was suggested that this was more a result of S54a and the focus on the plan-led system rather than the sequential approach.

ii) Two retailers referred to the need to enter into discussions with local authorities at an early stage in the planning process, to avoid local authorities putting sites forward at a late stage in the planning application process. These sites were referred to as ‘rabbit out of the hole’ or ‘pulling sites out of the hat’ at a late stage.

iii) Four food retailers gave examples of stores which had been developed in collaboration with local authorities.

iv) None of the food retailers referred to the use of Compulsory Purchase Powers by local authorities to facilitate town centre food store development. One food retailer indicated that they had sites in their programme where CPOs could happen. Another considered that local authorities would only be likely to use them, if there was a threat of out or edge-of-centre development.

Local and Central Government Decision Making

4.16 The issue of inconsistencies between local authority and Central Government decisions on sites was raised. Food retailers were also concerned that the sequential
approach is regarded as a ‘test’ by local authorities, rather than an approach; and subsequently any non-central application is refused, for failing a sequential test.

i) One food retailer considered that there are inconsistencies between local authorities on the application of the sequential approach, with competitors obtaining planning permission on less central sites. In addition some local authorities refuse to register applications until a sequential approach assessment has been submitted.

ii) One food retailer considered that the Government is inconsistent in terms of the applications that are called in. They considered that there is a need for transparency in the process, with reasons provided for any call in. They also considered that the Government does not trust local authorities to make the decision themselves. It can be very frustrating and expensive if a local authority supports an application, which is processed through the planning system, but then called in by the Secretary of State.

iii) Two retailers considered that there is a pattern in local authority decision taking with more northern local authorities balancing the sequential approach against other issues such as employment and regeneration; and more southern authorities using the sequential approach to preserve the status quo.

iv) Two retailers consider that local authorities misinterpret the sequential approach. They regard it as a test, rather than an approach, which if not met results in refusal. It appears to have become too prescriptive and is providing a reason for authorities to refuse all new food store development.
5. **The Effects of the Sequential Approach on Non-Food Retailers**

5.1 This section sets out the findings from the interviews with non-food retailers. Six retailers were interviewed. The retailers interviewed sell a range of goods including health and beauty products, clothing and footwear, DIY goods, furniture/household goods and electrical goods. The non-food retailers interviewed operate from a variety of formats including traditional high street stores, retail warehouses and a discount retail warehouse club.

5.2 The findings of the non-food retailer interviews have been presented under the following themes:-

- General planning matters
- Introduction of the sequential approach
- The process of site identification
- Location of new stores
- Development programme
- Edge-of-centre
- Submission of planning applications
- Flexibility of non-food retailers
- Involvement on the Local Plan process
- Consideration of need
- Collaboration with local authorities on site identification
- Collaboration with local authorities on site development
- Local and Central Government decision making.

5.3 It should be noted that where ‘all non-food retailers’ are referred to, the evidence is based only upon those retailers interviewed rather than all non-food retailers.
General planning matters

5.4 The non-food retailers, like the developers interviewed, do not have in-house planning teams. Instead planning consultants are instructed to deal with planning matters on particular schemes. The non-food retailers do, however, seek to influence planning policy at central Government level, through lobbying, appearances at Environment Select Committees and representations on draft Government guidance and consultation documents.

i) None of the non-food retailers appears to have in-house planning teams. They do, however, have planners employed within property/estates/acquisitions departments. One non-food retailer has a research department dealing with the new store development programme.

ii) Four of the non-food retailers use external planning consultants, as appropriate on particular schemes.

iii) Three of the larger non-food retailers seek to influence Government policy through lobbying and discussions at the executive/director level. They appear at Environment Select Committees, make their in-house research information available, and submit representations on draft Government guidance and consultation documents.

iv) Three non-food retailers regularly put papers to their Boards on planning issues. One retailer indicated the difficulty with convincing Board Members of the planning position, over and above the wish to increase out-of-centre sales.

Introduction of the Sequential Approach

5.5 The extent to which non-food retailers have responded to the sequential approach appears to vary, depending on the nature of their operations. The non-food retailers
which operate out-of-centre formats have more formally introduced the sequential approach into the company decision making process. Non-food retailers operating mainly town centre formats have assimilated the sequential approach into company policy on a more incremental basis.

i) Two, largely out-of-centre non-food retailers formally introduced the sequential approach, as a criterion in the decision making process in new store development. However, there was no evidence of their having reported the sequential approach to the Board.

ii) Two, largely town centre based non-food retailers introduced the sequential approach on a more informal/incremental basis. Because the majority of their stores are town centre based, sequential issues have not resulted in a radical change in company policy. These non-food retailers have long supported town centres, for example through town centre management schemes.

iii) One non-food retailer gave the impression that the sequential approach had not been assimilated into company decision taking at all.

iv) One non-food retailer regarded the sequential approach as another ‘box to tick’, whilst the nature of their operations remained out-of-centre.

v) One non food retailer was aware of sequential issues prior to June 1996. The sequential approach was evident in Appeal decisions in 1995, based upon PPG13 and the need to avoid sporadic siting of comparison goods retailing. However, it was not more formally introduced into company policy until subsequent Appeal decisions provided greater clarity. Initially the retailer was unclear on how to meet the criteria as no specific guidance was provided.
The process of site identification

5.6  Only one retailer does not appear to have incorporated the sequential approach into the decision making process. The majority of non-food retailers include the sequential approach as a criterion in their site identification process. However, the relative importance of the sequential approach varies from a key determinant in the site identification process for one retailer, to a virtually exclusive requirement in relation to their own store criteria for two other retailers. For the two largely town centre based retailers, the sequential approach is less important as they want to remain in more central locations.

i)  Four of the non-food retailers have introduced the sequential approach as a criterion in the site identification process.

ii) Only one of these retailers claim to take the sequential approach as a starting point. This retailer has certain target areas, where they want to locate. They consider that they are flexible in terms of the site they would take within these areas, opting for the most central site provided that it meets their size requirements for a bulky goods retail warehouse.

iii) The remaining three non-food retailers also have identified certain parts of the country where they are seeking representation; i.e. where there are gaps in the market. In finding sites they have certain criteria for store identification, including accessibility by car, site size, market share and catchment size and profile. The sequential approach has been introduced as another criterion. However, all of these retailers indicated that an appropriate site in commercial terms is the starting point, then sequential issues come into play. For one retailer, sequential issues are less important, as they want to be in more central locations where they can benefit from the critical mass created by other comparison goods retailers. For the other two retailers the sequential test and their own store criteria are virtually exclusive, as they consider their formats to
be unsuitable for town centres. The importance of the sequential approach as a criterion in site identification by these retailers is therefore questionable.

iv) Two non-food retailers do not appear to have introduced the sequential approach into the decision making process. The reasons behind this decision are quite different. One retailer is largely town centre based and has always adopted a sequential approach. The other retailer has not considered it appropriate to change operations because of planning; and operates a range of formats suited to different locations.

**Location of new stores**

5.7 *In general there appears to have been very little change in the location of new stores following the sequential approach. The out-of-centre non-food retailers continue to open out-of-centre stores and vice versa for the traditional town centre retailers. The two town centre based retailers also have out-of-centre store development programmes; one of which has only been geared up post 1996. The non-food retailers are able to continue developing out-of-centre stores by virtue of existing consents, Local Plan allocations, take-over of existing out-of-centre stores, and where precedent for out-of-centre development has already been set.*

i) None of the non-food retailers provided evidence of a refocusing of the location of new stores towards more central sites, as a result of the introduction of the sequential approach.

ii) The bulky goods retailers continue to open out-of-centre retail warehouses. For example, all four retail warehouses opened by one bulky goods operator since 1996 have been out-of-centre. The stores opened by a discount club operator are also all off centre; and the number of out-of-centre stores opened by the electrical goods retailer increased between 1997 and 1998, whereas the number of its high street stores declined.
iii) Two of the traditional high street retailers continue to open town centre stores. However, both of these retailers are also now opening out-of-centre stores. One had a long term programme to open a certain number of edge of town stores to complement their town centre portfolio. They have almost achieved this aim, despite the introduction of the sequential approach. The other retailer has only recently sought to expand its edge of town representation and so far is achieving this without conflicting with the planning system, as its new stores are largely on existing retail parks. This retailer is unlikely to take a pro-active stance to pursuing out-of-centre sites, as they are so heavily represented in town centres. Rather, they are reactive in implementing existing consents offered to them.

iv) Both traditional high street retailers indicated that where they are now operating out-of-centre stores there is no evidence of an adverse affect on their town centre store sales; and the stores are complementary. The out-of-centre stores merely function as top up stores, or are necessary to provide for car using shoppers.

v) Out-of-centre sites have been secured by retailers in several different ways, including:

- utilising existing retail consents;
- take-over or new leases of existing out-of-centre stores such as second generation food stores no longer required by operators;
- where precedent for out-of-centre development is already set by existing such development;
- where existing out-of-centre development is regarded or identified as a District Centre;
out-of-centre sites allocated in Local Plans for retail development or mixed use including retail.

vi) Three non-food retailers are maximising their existing portfolios through extensions to out-of-centre stores, and to date they have not usually encountered any difficulties with these proposals. One retailer suggested that extensions are less of an issue as the precedent for retailing has already been established. One non-food retailer has increased market shares on the high street through store extensions and the opening of satellite stores. Where an extension is not possible a satellite store may be opened. However, it is always more cost effective to extend an existing store than develop a new out-of-centre store.

vii) Two non-food retailers referred to the introduction of mezzanine levels in existing stores, rather than extensions, where they had difficulty with gaining consent for extensions.

Development programme

5.8 *The sequential approach has not substantially affected the development programme of any of the non-food retailers. Only one retailer suggested that the supply of sites had diminished.*

i) None of the non-food retailers appears to have slowed their development programme as a result of the sequential approach. One non-food retailer suggested that the supply of new sites had diminished as a result of revised PPG6, however this had not hampered their development programme.

ii) One non-food retailer suggested that they may not seek to develop the final few out-of-centre stores in their development programme. However, this appears to be more a reflection of achieving their development objectives rather than the effect of the sequential approach.
iii) One non-food retailer considered that the market will regulate out-of-centre development, rather than the sequential approach. Future increases in the costs of out-of-centre development and saturation of the market will limit out-of-centre development.

iv) One non-food retailer indicated that to date, the sequential approach has not hampered their store development programme, which is all out-of-centre. If planning became a problem in the future, they are more likely to locate elsewhere in the world, rather than elsewhere in the UK.

v) One non-food retailer provided evidence of store openings since 1985. The number of new store openings which were mainly out-of-centre has increased year on year since 1996.

**Edge-of-centre**

5.9 *The non-food retailers did not raise any significant issues in relation to edge-of-centre development. Only one retailer suggested that the distance definition was too rigid.*

i) None of the non-food retailers raised any significant issues in relation to edge-of-centre development.

ii) One retailer suggested that the distance definition of edge-of-centre development was too rigid.

iii) One non food retailer, with a preference for town centre stores, indicated that edge-of-centre stores would be developed if they failed to secure town centre sites.

iv) Two retailers appear to use different terminology to that in PPG6, referring to ‘edge of town’ stores, which are in effect out-of-centre.
Submission of planning applications

5.10 These non-food retailers that mainly operate out-of-centre always submit a sequential approach assessment in conjunction with planning applications. These always support the proposal site; finding alternative sites unsuitable because of size, location, access, other developments, lack of existing consent or lack of local planning authority support.

i) Three of the non-food retailers, those that mainly operate out-of-centre formats, indicated that they always submit a sequential assessment in conjunction with a planning application.

ii) These three non-food retailers all provided examples of sequential assessments. None of these exercises identified any sites which were more appropriate in sequential terms than the proposal site. A variety of reasons were given for the alternative sites being unsuitable. In general the sequential approach exercises appear to consider only alternative sites identified in Local Plans and from discussions with local planning officers.

iii) One non-food retailer considered that there is some scope to relax conditions on out-of-centre retail parks, as they currently restrict competition. For example where foodstores are already located out-of-centre and conditions limit future developments to bulky goods, the foodstores have an unfair advantage over town centre retailers; particularly if they retail comparison goods, such as books, videos, clothing and health and beauty products.

Flexibility of non-food retailers

5.11 There is very little evidence of greater flexibility by non-food retailers. If anything, changes introduced, such as new formats, are at odds with the sequential approach, by virtue of increasing the size of stores.
i) Although two of the non-food retailers are largely town centre based, in general non-food retailers provided little evidence of greater flexibility as a result of the sequential approach.

ii) In terms of new formats, the only changes since 1996 appear to be the introduction of a larger retail warehouse format by one of the bulky goods retailers, and an out-of-centre format by one of the traditional town centre retailers. These changes are not related to planning or the sequential approach, rather they are based upon commercial decisions.

iii) Only one largely out-of-centre retailer confirmed that they would be flexible in terms of design and layout. However their offer could not be disaggregated into smaller, physically separate units. Other evidence of flexibility by this retailer was a proposed town centre kiosk, which would allow telephone ordering; a free shuttle bus to the main store; the development of two storey units, and decked or underground parking; and home delivery for all customers accessing the store by public transport.

### Involvement in the Local Plan process

5.12 The majority of non-food retailers have some involvement in the Local Plan process, either through regular monitoring or as appropriate on particular schemes. There is some concern about Local Transport Plans and potential damage to town centre sales caused by traffic restraint measures.

i) Only one non-food retailer regularly monitors Local Plans. Representations of two types are made; viz those on points of principle based upon the company’s retailing policy, and specific points arising from research or the evidence from store managers.

ii) One non-food retailer used to monitor Local Plans on a regular basis, making representations and appearing at Inquiries, until six months ago. This has now
been superseded by Local Transport Plan monitoring; because a major concern is that traffic restraint measures will damage town centre sales. This retailer is intending to comment on all Local Transport Plans. Another retailer also considers Local Transport Plans of greater importance to their operation than Local Plans.

iii) Two non-food retailers monitor Local Plans where they have requirements in an area.

iv) Two non-food retailers do not get involved in the Local Plan process. One retailer indicated that they may in the future. The other indicated that the Local Plan timescales preclude their involvement.

Consideration of need

5.13 None of the non-food retailers was able to comment on the issue of need.

Collaboration with local authorities on site identification

5.14 Only two of the non-food retailers collaborate with local authorities on site identification; one in seeking to identify town centre sites and the other edge/out-of-centre sites. Reasons were not given for non-collaboration.

i) Two of the non-food retailers appear to collaborate with local authorities on site identification.

ii) One of these retailers who operates mainly in town centres considered that local authorities have become more pro-active in bringing forward development sites.

iii) The other mainly out-of-centre retailer described collaboration as an opportunity to familiarise local authorities with the format that they are
currently proposing. They are currently working with London Boroughs to identify suitable development sites.

Collaboration with local authorities on site development

5.15 The majority of non-food retailers have increased pre-application discussions with local authorities. This appears particularly important to retailers that mainly operate out-of-centre; as it provides an opportunity to familiarise local authorities with their particular offer and the perceived benefits, such as employment creation and regeneration of derelict land.

i) Five of the six non-food retailers have increased pre-application discussions with local authorities, both officers and Members.

ii) The main reason for this appears to be the impetus to increase local authorities’ understanding of the type of retailing proposed, which could be related to the sequential approach. For example, out-of-centre retailers are keen for local authorities to realise the employment and regeneration benefits that they consider their proposals can bring; and the limited impact they believe they will have on town centres, because they do not provide a competing retail offer. One retailer considered that the increased collaboration was a result of PPG6 and PPG13 in general, not just the sequential approach.

iii) One retailer expressed concern over the increased time scales involved in the planning process because of the need for more discussions with local authorities.

iv) Only one retailer gave an example of involvement in the preparation of a Development Brief as part of the planning application process on a site.
Local and Central Government Decision Taking

5.16 Whilst inconsistencies in decision taking on proposals appear less of a concern to non-food retailers than food retailers, a key issue is the rigidity in interpretation of the sequential approach. Non-food retailers perceive that it is almost used as an embargo on out-of-centre development. They consider this is wrong and that out-of-centre development is appropriate in certain circumstances, and a balance needs to be struck.

i) Four non-food retailers expressed concern over the rigidity with which the sequential approach is interpreted and used as an embargo on out-of-centre development, and consider that more flexibility is needed on out-of-centre development. PPG6 is considered to hamper competition and damage innovative retailing. The sequential approach is regarded as ‘a blunt instrument’. An area of greater concern in terms of potential damage to town centres should be e-commerce and home delivery.

ii) Non-food retailers believe that local authorities are becoming increasingly sensitive about the need to consider sequential issues. One retailer for example has local authority support for a site, but the local authority is continuing to examine alternative sites.

iii) Only one retailer raised inconsistencies in local authority and Secretary of State decision taking as an issue.

iv) One retailer suggested that in smaller towns, away from London, local authorities are more co-operative; and if the economy is not strong, planners are more lenient in their application of the sequential approach.

v) One largely town centre based retailer considered that the sequential approach has had a positive effect for them as it encourages further support for their proposals. There is a happy confluence between this retailer’s requirements and planning policy.
vi) One non-food retailer expressed concern over local authorities ‘cherry picking’ sites to their own advantage, where they owned the site.

vii) One retailer stated that conditions placed on planning permissions, limiting the range of goods to be sold, had increased as a result of the sequential approach.
6. The Effects of the Sequential Approach on Planning Inquiry Decisions

6.1 This section sets out the findings from two separate investigations into planning appeal and inquiry decisions on major retail developments, as follows:

1. An in-depth analysis of the decisions taken at nine Public Inquiries; of which six represented Inquiries held before and after the publication of the current version of PPG6 (before and after Inquiries in Barking, Truro and Peterborough); whilst the remaining three were Local Plan Inquiry cases after the sequential approach was formalised in PPG6 of June 1996.

2. A review of the Inspector’s conclusions and the decisions from 20 Planning Inquiries where the decision was published after the 1 January 1997. This date was selected so as to exclude decisions from Inquiries held before the current version of PPG6 was published. There were 170 significant retail decisions published after 1 January 1997, so the 20 cases amount to a sample of almost 12%. The selection of cases was determined using a random sample composed of every eighth decision in chronological order. This resulted in cases involving 11 proposed foodstores, of which 9 were dismissed and 2 were approved; and 13 non-food developments, of which 9 were dismissed and 4 were approved. We consider that this amounts to a broad and representative spread of cases and types of development, covering the period from the 1 January 1997 to the present.

6.2 The cases selected for the in-depth analysis were all those where Hillier Parker had presented evidence on retail issues. As a result, we were already familiar with the facts of each case, the evidence presented and the decision. We were not involved in the great majority of the 20 other cases reviewed in less detail.

6.3 The findings of our two pronged analysis of Planning Inquiry decisions are set out in this section of the report under the following themes:
Changes in the basis of decisions before and after the formalisation of the sequential approach in PPG6 of June 1996;

The need for the proposed development;

Consideration of the availability and suitability of town centre or edge of centre sites;

Whether the Inspector and Secretary of State applied the ‘built form’ or ‘class of goods’ interpretation of the sequential approach;

The criteria for definition of sites as edge-of-centre;

The extent to which other material considerations were held to outweigh the rigorous application of the sequential approach.

In this section, references to decisions by Inspectors and the Secretary of State are only to the decisions made in the 9 cases reviewed in depth and the 20 cases reviewed in outline, and not to all planning inquiry decisions.

Changes in the Basis of Decisions as a Result of the Sequential Approach

Our findings in relation to this theme are drawn from our in-depth analysis of six Inquiry decisions in Barking, Truro and Peterborough before and after June 1996. These cover the following cases:-

Barking:

Food superstore before. Discount supermarket after.
Truro:

Retail warehouse park before. Three proposed retail warehouse parks after.

Peterborough:

Seven applications for a food superstore before. Ten applications on eight sites for retail warehouse parks after.

6.6 Of these, the Barking superstore was approved and the discount supermarket refused. In Truro, the retail warehouse park before the sequential approach was approved; whilst after the sequential approach, the two large retail warehouse schemes were refused, and the small one (amounting to an addition to the previously approved scheme) was approved. In Peterborough, one food superstore was approved; whilst all of the retail warehouse parks were refused.

6.7 There has been a substantial shift in the basis of decisions by Planning Inspectors and the Secretary of State in Planning Appeals and Call-In Inquiries. Before the sequential approach, the test applied was usually that of whether or not there would be any harm to the vitality and viability of the nearby town centre as a whole and to the development plan strategy. After the sequential approach, the tests being applied are whether there is a need for the development, and whether it would be located in accordance with the sequential approach.

i) In the first Barking case, because it was not part of Government Policy at the time, the sequential approach was not applied by the Inspector. Instead, he applied the test of whether there would be harm to the vitality and viability of Barking and East Ham town centres as a whole.

ii) In contrast, in the second Barking case, the Inspector was of the view that there were no sites in or on the edge of the town centre which were suitable and available for the proposed development. Applying the sequential approach therefore, he concluded that the proposed out-of-centre site could be
considered as the next best alternative. However, the proposed store would have an adverse impact, cumulative with that of previous out-of-centre superstores, which would be unacceptable. As a result, the Appeal was dismissed.

iii) In the first Truro decision, the sequential approach was not applied to the consideration of alternative sites, even though the Inquiry was held after PPG13 was published. The Inspector did not ascribe a higher priority to development of city centre sites than to the out-of-centre appeal site, and the appeal was allowed.

iv) In the second Truro case, the sequential approach was rigorously applied. The two larger developments were refused; because in terms of retail capacity and retailer demand, and the availability of potential city centre development sites, there was judged to be no need for them. They would therefore have had an adverse impact on the city centre and on the Council’s strategy for city centre improvement, and would fail the sequential approach.

v) In the first Peterborough case (food superstores) the Inquiry started from the position that there was capacity and need for one additional food superstore in north Peterborough; and that this should be located where it would best serve the residents of the areas of deficiency of access to large foodstores, and ensure a balanced distribution of superstores in the city. No examination was made of whether or not the sites were in or on the edge of an existing town or district centre, and no alternative sites to those of the 7 applications were considered at the Inquiry.

vi) In the second Peterborough case (retail warehouses), there was substantial debate about whether three of the sites were edge-of-centre or out-of-centre, both in physical and functional terms. The sequential approach was rigorously applied and was the main feature of the decision. The Inspector recommended, and the Secretary of State agreed that any requirement for additional bulky durable goods retailing could be accommodated in a
committed new district centre or in the city centre. If there was any need for additional retail warehouse format development, this could be met by development on the edge of the committed new district centre.

The Need for Proposed Developments

6.8 Generally, Inspectors are assessing whether or not there is a need for the proposed development. Consideration of need is preceding and taking precedence over application of the sequential approach. Need is mainly interpreted in terms of retail capacity based on expenditure. Conversely, significant adverse impact on a town centre is taken as an indication of absence of need.

i) In the pre-sequential approach cases in Barking, Truro and Peterborough, the Inspector accepted that there would be sufficient retail expenditure to support the proposed development, and thus it was needed to provide for the shopping requirements of the catchment area.

ii) The second case in Barking, and the two larger post sequential approach proposed retail developments in Truro, the Inspector concluded that the proposed developments would have an adverse impact on the vitality and viability of the town centre, and that there was no need for them.

iii) In the case of the four objections heard at the Hull Local Plan Inquiry, the Inspector decided that there was no need for the proposed developments (one food superstore and three retail warehouse parks), in terms of expenditure capacity; and thus there was no obligation on the Council to allocate the proposed sites for retail development.

iv) In ten of the twenty cases reviewed in outline, the presence or absence of need was a significant element in the decision.
Interpretation of the Sequential Approach

6.9 There is considerable inconsistency in the way in which the sequential approach is interpreted by Planning Inspectors and the Secretary of State. In the cases examined where the interpretation was an issue, approximately half were decided on the basis of the built form interpretation, with the other half having the class of goods interpretation applied. Thus in a substantial number of cases, Planning Inspectors have not given weight to the requirement in PPG6 for retailers to be flexible about their trading formats.

i) In two of the Inquiries after the sequential approach which were analysed in depth (the second Truro and Peterborough Inquiries) the class of goods interpretation was applied.

ii) In twelve of the twenty cases reviewed in outline, the interpretation of the sequential approach was relevant. In seven of these, the Inspector applied the built form interpretation, and in five the class of goods interpretation was applied.

iii) There was no clear trend to indicate any change in preference for either interpretation over time.

Availability and Suitability of Town Centre or Edge-of-Centre Sites

6.10 It has been particularly difficult to draw conclusions about the way in which Inspectors have assessed the availability and suitability of town centre or edge-of-centre sites in the 20 cases in which we have not had a detailed involvement and knowledge of all the evidence. Our conclusions on this theme are therefore necessarily somewhat tentative, being drawn only from the conclusions from the Inspector’s report in those 20 cases, together with the more limited number of post-sequential approach cases which we have analysed in greater depth.
6.11 The cases reviewed suggest that there is no commonly agreed basis or criteria used in assessing the availability and suitability of town centre or edge-of-centre sites. The assessment is inextricably linked with the interpretation of the sequential approach applied, as well as with the issue of whether or not there is a need for the proposed development. In cases where the Inspector applied the built form interpretation of the sequential approach, the conclusion was more likely to have been that there were no town centre or edge-of-centre sites available than where the class of goods interpretation was applied. In other words, where need was assessed as need for the proposed development rather than need for additional retail floorspace, albeit of a different type, the conclusion was more likely to be that there were no suitable town centre or edge-of-centre sites.

i) In a case in Kidderminster, the Inspector and Secretary of State decided that a town centre site allocated in the Local Plan was not suitable for the bulky goods retail warehouse development proposed. In contrast, a site on the edge of Wells town centre which was in 18 separate ownerships and had physical constraints, was identified by the Inspector as having potential for retail development in view of steps taken by the Council to promote its redevelopment.

ii) In the second Truro retail warehouses Inquiry, the two larger proposed retail warehouse parks were dismissed applying the class of goods interpretation of the sequential approach, on the basis that there were two sites in the city centre where the Council was promoting substantial town centre developments capable of selling bulky goods from new town centre type shops and stores. This was despite the fact that one of these schemes would not be available for occupation for at least three years, and the other for at least five to six years. In contrast, by applying the built form interpretation, the much smaller retail warehouse development was permitted by concluding that the only city centre site which could accommodate such a scheme had doubts over its availability in the short term.
The Criteria for Definition of Sites as Edge-of-Centre

6.12 No clear pattern can be discerned from the cases studied as to the criteria being applied by Inspectors in deciding whether sites are edge-of-centre. Walking distance from the edge of the prime retail area is usually used as an initial guide, but in some cases sites within 300 metres have been held to be out-of-centre because of the nature of the town centre (for example secondary retailing) or the existence of barriers (e.g. roads, hills, other developments). Some Inspectors have given consideration to whether a site would be functionally linked with the existing retail areas such that significant linked trips would occur.

i) At Sutton Coldfield, a site within 200 metres to 300 metres of the town centre was considered by the Inspector as being a suitable location for retail development, and therefore an edge-of-centre site which accorded with the sequential approach. However the appeal was dismissed, on the grounds that the specific development proposed could not be successfully integrated with the existing retail areas.

ii) At Dronfield, an application for a food superstore was dismissed on a site which was only 130 metres from the edge of the main shopping/commercial centre, on the basis that this did not indicate it to be an edge-of-centre site, because the shopping centre was considered at the Local Plan Inquiry to be a secondary shopping area.

iii) At Trafford Park, the Secretary of State disagreeing with the Inspector, decided that it had not been demonstrated that a site 450 metres from the town centre could not be a feasible edge-of-centre retail location. This was despite the Inspector’s conclusion that ‘the pedestrian route between the two crosses a very busy major road junction and does not offer an attractive or easy connection’.

iv) At Newbury Park, Illford, the Inspector concluded that the site, at 200 metres away, was within shopping carrying distance of that part of the town centre
containing traditional convenience goods shops, had the potential for linked trips, and would function as an edge-of-centre development. However, the Secretary of State disagreed, on the basis that whilst the appeal site would function as an edge-of-centre site, it would not generate significant amounts of linked trips and was not well served by public transport.

v) At Swindon, a site 180 metres from a local shopping centre was accepted as being edge-of-centre.

vi) At Pontefract, a site within 300 metres of the town centre was physically separated by a steep hill and busy road, which meant that it was not considered to be edge-of-centre.

vii) In Wells, the Inspector agreed with the Council that the application site, at 500 metres from the primary shopping area, should be considered as out-of-centre; despite acceptance by the Council in an earlier decision that a supermarket on a site adjoining the appeal site was edge-of-centre.

viii) At Oswestry, the entrance to the proposed Tesco store was about 344 metres walking distance from the primary retail frontage, with a walk which the Inspector concluded would not be particularly attractive. Whilst Tesco had argued that the store would be edge-of-centre, the Inspector concluded that it would adversely affect the vitality and viability of the town centre. The appeal was therefore dismissed.

The Extent to which Other Material Considerations were held to Outweigh the Application of the Sequential Approach

6.13 In cases where it was concluded that there was no need in terms of capacity for the proposed development, the sequential approach was not normally applied. Even where need was identified, the sequential approach was only one of a number of other material considerations which influenced decisions by Inspectors and the Secretary of
State. Examples include the effect on the local landscape, the provision of a football stadium, the effect on the vitality and viability of the town centre, risk to the Council’s strategy for town centre development, and local site planning, design and highways considerations.

i) At Stroud, a proposed retail warehouse was dismissed solely because of its impact on the local landscape in an Area of Outstanding Natural Beauty, which overrode all other considerations.

ii) At Barking, it was decided that there was no need for the proposed discount supermarket, and thus whether or not such a store could be satisfactorily accommodated in the town centre was not relevant to the decision.

iii) At Mansfield, an application for a food superstore on a site acknowledged to be edge of district centre was dismissed, because a competing application included the provision of a new football stadium.

iv) At Sutton Coldfield, the appeal site was acknowledged to be on the edge of the town centre, but the proposed development was rejected because it was on too smaller scale to integrate with and extend town centre retailing. It was also an inappropriate style of development, being single-storey retail warehousing. This case thus opened the way for a larger scale retail development on this close edge-of-centre site.
7. **Overview of Key Findings and the Implications for Policy and Practice**

7.1 In this final section of our report, we draw out the most important findings from our research, presenting these in the form of an overview of key issues arising. We also comment on the implications for policy and practice, and suggest further research which is needed as the basis for resolving the main difficulties with the sequential approach which we have identified. Finally, we suggest areas in which the guidance set out in PPG6 might benefit from amendment once such further research has been completed.

**Key Findings**

**Changes in Local Authority Policy and Practice as a Result of the Sequential Approach**

7.2 Our findings show that Local Plan policies have changed substantially and continue to change so as to incorporate the sequential approach. However, Local Plans vary in the way in which they incorporate the sequential approach and in the closeness of their adherence to it. This is partly a reflection of the stage which they have reached; and more up-to-date plans tend to reflect the sequential approach more faithfully than older plans. To the extent to which the sequential approach is incorporated in Local Plan policies, it is always on the basis of the built form interpretation rather than the class of goods interpretation.

7.3 Local authorities’ development control decisions have also changed significantly as a result of the sequential approach. Most local authorities have long since pursued pro-town centre policies; but before the current version of PPG6 were not well supported by Planning Inspectors and the Secretary of State in Planning Inquiry decisions. As a result, they often compromised so as to permit proposed out-of-centre developments, where they expected to lose the case if the applicant was to appeal. Because of the
sequential approach, they now feel better supported, so are standing up to developers more, and refusing out-of-centre development more often, and more successfully. However, some out-of-centre developments are still being permitted by local authorities.

**Application of the Sequential Approach to Development Control by Local Authorities**

7.4 The sequential approach is now generally being applied by local authorities when considering planning applications for retail development and deciding upon these. There is necessarily a degree of testing involved when assessing the availability and suitability of town centre and edge-of-centre sites, part of which relates to the development plan process. However, there is substantial concern by retailers that local authorities are applying the sequential approach in a rigid prescriptive way as a ‘test’ which must be passed, rather than an ‘approach’ or process which needs to be followed. Thus there is a widespread perception by the private sector that local authorities are using the sequential approach as a moratorium on all out-of-centre retail development. The evidence does not fully support this belief. There are examples of cases where local authorities have set aside the sequential approach in their decision, because they concluded that the apparent benefits of the proposed out-of-centre development outweighed it. These have included the provision of football stadia, job creation and urban regeneration.

**The Need for the Proposed Development, and the Suitability and Availability of Town Centre or Edge-of-Centre sites**

7.5 The issues of whether or not there is a need for proposed developments, and whether or not suitable and available town centre or edge-of-centre sites exist, are inextricably linked. They are also linked with the interpretation of the sequential approach in terms of built form or class of goods. These three issues in effect form a triangle of inter-related decisions. Thus, need could be interpreted as need for the proposed development, in effect applying the built form interpretation. Alternatively, need could be taken as need for additional retail floorspace to sell the goods proposed to be
sold from the proposed development, i.e. the class of goods interpretation. If need is interpreted according to built form, the search for suitable and available town centre sites would be focused on larger sites of a different type, than if need is considered according to the class of goods interpretation.

7.6 There is no consistency in how these three inter-related issues are considered and resolved. All Local Plans which incorporate or comply with the sequential approach, apply the built form interpretation, for example through their criteria for the acceptability of out-of-centre retail development of the built form proposed by the applicant. Thus they are not fully compliant with the requirement in PPG6 for retailers to be flexible about their trading formats. In approximately half of the planning Inquiry decisions reviewed, where the sequential approach was an issue, the decision was taken on the basis of the class of goods interpretation. In these cases, planning Inspectors and the Secretary of State considered that there were town centre or edge-of-centre sites potentially available which could accommodate new retail development, albeit not in the form or on the scale proposed by the applicant.

Criteria for Suitability and Availability of Town Centre and Edge-of-Centre sites

7.7 There is inconsistency and confusion as to how sites should be assessed for suitability and availability. In addition to the inextricable inter-relationship described above, there is no consistency in decision taking over the criteria which are applied by local authorities, Planning Inspectors and the Secretary of State in assessing whether sites are suitable and likely to become available within a reasonable period of time. PPG6 provides limited guidance on this issue, and so there is scope for interpretation and flexibility in decision taking. However, this means that there is substantial uncertainty for developers as to whether a town centre or edge-of-centre site will be judged to be suitable and available.

Definition of Edge-of-Centre

7.8 There is substantial confusion and obfuscation surrounding the issue of what is an out-of-centre site. Developers and their consultants are commonly describing as
edge-of-centre, sites which will plainly function as out-of-centre developments. Some local authorities are also flexible in their interpretation of what is edge-of-centre, where the proposed development fits in with their wider objectives.

7.9 The distance guideline of 200 metres to 300 metres from the primary shopping area set out in PPG6 is widely applied, but also widely criticised by developers and retailers. In applying it, decision takers are rightly having regard also to other material considerations, such as barriers to pedestrian movement, topography and intervening development. However, limited regard is paid to functional linkages between the proposed edge-of-centre development and existing town centre shopping and services. No clear pattern can be discerned regarding functional linkages in decision making. There appears to be a lack of understanding by local authorities, Planning Inspectors and the Secretary of State as to how edge-of-centre developments would in practice relate to existing town centres in functional terms.

Interpretation of the Sequential Approach

7.10 There is substantial inconsistency over the interpretation of the sequential approach; with approximately half of the relevant planning Inquiry decisions being based on the built form interpretation and half on the class of goods interpretation. Thus in about half of the cases, little or no attention was given to the need for retailers to be flexible about their trading format. Developers and their consultants are universally applying the built form interpretation; and some are attempting to circumvent the sequential approach by proposing very large developments, for which it is most unlikely that town centre or edge-of-centre sites exist or can be created. Local authorities are more ambivalent in their interpretation; and are tending to apply the class of goods interpretation where they have identified or allocated in the Local Plan sites for proposed town centre developments. However, some are applying the built form interpretation, and not requiring retailers to be flexible.
Consultations with the private sector over identification of sites.

7.11 Little consultation between local authorities and the private sector is occurring regarding the identification of town centre or edge-of-centre development sites. Approximately half the local authorities interviewed had appointed retail consultants to advise on retail capacity and the commercial suitability of potential sites. Retailers and developers are not generally taking part in the process of consultation, because they consider the Local Plan process to be too time-consuming; and they wish their proposals to remain confidential, at least until they have secured their position with the landowners of the sites concerned. More recently, town centre partnerships comprising the local authority and private sector interests in the town centre are becoming involved in site identification and the working up of development proposals. Such partnerships are now often involved in the preparation of town centre strategies and action plans, one component of which is often identification of and support for proposed town centre developments.

Retailer Flexibility

7.12 There is some evidence of retailers changing their formats in recent years, particularly food retailers developing new smaller stores, including town centre formats. However, these changes are at least as much the result of commercial considerations (for example so as to exploit smaller niche markets) as of the sequential approach.

7.13 Some retailers however, believe that they have not yet fully exploited the market for out-of-centre retailing, and are continuing to pursue out-of-centre developments. Some believe that to compete with the existing out-of-centre competition and with town centres, they must develop larger stores, which in practice means on out-of-centre sites. Others, e.g. DIY goods stores and large furniture stores consider (with some justification in terms of continued local authority support) that despite the sequential approach, their bulky goods trading format is virtually exempt, and will still be acceptable out-of-centre. Some retailers believe that they cannot trade at all in or on the edge of town centres; because the costs of doing so would be much higher,
and they would be unable to provide the low prices on which their trading format depends, or compete on price with established out-of-centre competitors. This issue of the costs of developing in and trading from town centre or edge-of-centre sites is fundamental to the ability of retailers to be flexible about their format and comply with the sequential approach. However there has been some convergence recently between the costs of operating out-of-centre and in town centres.

Further Research Needed

7.14 The first area in which more research is needed is the definition of edge-of-centre. We consider that the current guidance in terms of distance, etc, in PPG6 is inadequate and pays insufficient regard to functional linkages. The purpose of the sequential approach is to reinforce the vitality and viability of town centres, and reduce the need to travel, particularly by car. Achieving these objectives by means of edge-of-centre development (where no town centre sites are available) depends upon their being close functional relationships and linkages between the town centre and the edge-of-centre development. At present, such functional relationships are not well understood and are ill defined. We propose that research be undertaken to clarify functional relationships and trip linkages; with the aim of producing not rigid prescriptions but a good practice guide for local authorities and the private sector. We believe that this would improve consistency of decision taking, and certainty for landowners, developers and retailers.

7.15 Second, we consider that the suitability and availability of town centre or edge of centre sites needs to be better understood. As indicated above, this necessarily would also involve research into the issue of need, and how the sequential approach should be interpreted. This research should therefore include examination of the practicality for retailers of applying the class of goals interpretation. Again, the objective of the research should be to produce a good practice guide, rather than rigid rules. At present, no such guide exists, hence the current inconsistency in approach.
7.16 Third, we consider that the degree to which retailers could be flexible needs to be investigated. Such research should focus on the differences in cost between developing and operating from town centre and edge-of-centre sites, and out-of-centre sites. The aim should be to establish whether certain types of retailing could realistically operate in new smaller or alternative formats from town centre or edge-of-centre locations; or whether requiring them to do so would reduce price competition to the disbenefit of shoppers.

7.17 Finally, research needs to be undertaken to investigate the realistic physical capacity of town centres and edge-of-centre locations to accommodate additional retailing, and other forms of development which are subject to the sequential approach, over the medium to long term. This will enable planning guidance to anticipate and respond to the inevitable eventual future of there being no sites in or on the edge of town centres to accommodate development needs. The point when this will be reached will of course vary from town to town. At present however, there is no clear national picture as to when it will be reached. The implications for the sequential approach of such a situation need to be considered well in advance so that appropriate measures can be taken.

**Possible Amendments to Planning Guidance**

7.18 Depending upon the outcome of the research outlined above, we consider that amendment to PPG6 may in due course be needed in the following areas:-

1. The relationship between the need for development, the suitability and availability of town centre and edge-of-centres sites, and the built form or class of goods interpretations of the sequential approach.

2. Clarification that the sequential approach is an approach and not a test, or a moratorium on out-of-centre development.
3. Clarification as to what forms of retail development, if any, should be considered as special exceptions to the sequential approach, for example, in order to maintain fair competition and low prices for shoppers.

4. Clarification of the criteria which should be supplied in judging whether sites are suitable and available for town centre and edge-of-centre development.

5. The criteria for defining sites as edge-of-centre for the purposes of the sequential approach.