



Purbeck Core Strategy Development Plan Document

Examination into the soundness of the plan

Statement on behalf of Purbeck District Council

Hearing date: Thursday 10 May 2012 – 10am

Matter 7: Retail (Policies RFS and RP)

Issues

- 7.1 Is the Retail Impact Assessment based on robust evidence?
- 7.2 Should the allocation of retail floorspace be resolved in the Core Strategy?
- 7.3 Does policy RFS sufficiently reflect national policy? Is policy RFS sufficiently clear?

Introduction

1. This statement considers all the issues within Matter 7: Retail (Policies RFS and RP).

Statements of common ground

2. No statements of common ground have been submitted in relation to this Matter.

Background

3. This report should be read alongside the Economic Context background paper¹, which explains how retail policy was developed during the Core Strategy process.
4. The Council commissioned NLP to undertake a Retail Impact Assessment (RIA) on what was at the time in 2010, the only available option for meeting food floor space needs. The option assessed was for a 2,000sqm out of town centre foodstore at Wareham. NLP indicated that this scenario would have a 14.6% impact on Wareham town centre, and residual trading levels would be 10.8% below benchmark. NLP suggested this level of impact would not constitute a significant adverse impact on the town centre. Wareham Chamber of Trade disagreed, arguing that the impact would have a far more devastating effect on Wareham town centre.
5. The Council weighed up the RIA against the comments raised by the chamber of trade and the public and decided not to allocate a foodstore in Wareham in the Pre-Submission Core Strategy. Instead the Council's retail strategy is to focus food floor space in town centres and local centres. There is no obligation for the Council to follow the recommendations set out in the RIA. It simply provides an appraisal of a particular policy option that the Council subsequently decided not to pursue. The NLP study only addressed the retail planning aspects of policy and did not consider wider considerations. The Council's decision not to allocate a foodstore at Wareham was made for wider planning reasons, in particular, the regeneration benefits to Swanage town centre (an approach supported by the NPPF), the protection of the character of Wareham, and the overriding need for housing on the sites promoted by landowners/food store operators for a potential food store in Wareham.
6. The Council's retail strategy should fully meet the quantitative needs identified by NLP, without the provision of an out of town food store allocation in the Core Strategy. NLP's letter of 9th October 2010² advised the Council that it has acted reasonably in deciding not to allocate a food store in the Core Strategy.
7. Since choosing this new direction with the retail strategy, the Council has been approached by the Co-Operative group who wish to expand its Swanage foodstore. This stated intention to develop means that the Council has a deliverable retail strategy.
8. Furthermore, following the Proposed Changes to the Pre-Submission consultation in late 2011, the Council asked retail consultants, Nathaniel Lichfield and Partners (NLP), to: (i) recalculate quantitative needs based upon on the most recent

¹ CD33 Volume 7: Economic Context

² CD148 Statement from Nathaniel Lichfield and Partners (19th October 2010)

population forecasts³ provided by Dorset County Council and (ii) clarify the translation of expenditure in some of the appendices and the judgments made in the 2010 Retail Impact Assessment⁴ (RIA). The Council also provided NLP with information showing where population growth will occur within Purbeck based upon the distribution of the housing target across the five spatial areas.

9. In response, NLP sent the Council a letter⁵ that **responds** to these requests. NLP now advise the Council if existing market shares are to be maintained then a revised target of 1,260sqm food floor space by 2027 is required, the majority of which (929sqm) should be met in Swanage, and that no strategic food store allocation is required in the Core Strategy.
10. The Council has put forward changes in the Minor Changes Schedule⁶ (changes 31 and 32) in response to this advice. The 1,260sqm of food floor space has been rounded up to 1,300sqm. After completion of the hearing sessions, the Council will formally consult on these modifications to the Core Strategy.
11. Each issue raised by the Inspector is considered in turn below:

7.1 Is the Retail Impact Assessment based on robust evidence?
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12. The section above sets out the background to this issue. The circumstances have changed and the Council is pursuing a different retail strategy than that assessed in the RIA. However, in answer to the Inspector's question, this discounted option and the RIA are discussed below.
13. The Council prepared the brief for the RIA in consultation with input from the Wareham Chamber of Trade and the Wareham Town Trust, organisations that had raised specific concerns over the impact of an out of town food store on Wareham town centre when the Council consulted on the possible option of a 2,000sqm out of town centre food store at Wareham in 2009. The Council appointed NLP, who are reputable consultants in this field, and who had previously undertaken the 2008 Joint Retail Study⁷ giving them a good understanding of the local market conditions. On account of the controversial nature of the food store proposals, the Council published the draft RIA for public consultation for six weeks in summer 2010, which also included a consultation event. The Council passed the comments from the consultation to NLP, who incorporated the feedback into the final version of the RIA. This community involvement in a specialist process helped to provide additional robustness to the RIA.
14. NLP conclude in para 4.29 of the RIA that there is a quantitative need for food floor space in Swanage, but not in Wareham, based on constant market shares. Para 4.30 then considers the qualitative and sustainability perspectives of reducing leakage from Central Purbeck, which includes Wareham. As part of this analysis, NLP appraised the impact of two options (i) to extend the Co-Op in Swanage; and (ii) a large store situated on the edge of Wareham. Each option assessed the impact

³ CD133 ONS Mid-Year Population Estimates Note for Purbeck DC and CD133a DCC population projections Dec 2011 and CD133b ONS Mid-Year Population Estimates Note for Purbeck DC

⁴ CD147 Retail Impact Assessment (2010)

⁵ CD149 NLP Purbeck Retail Impact Assessment Further Information November 2011

⁶ SD26: Minor Changes Schedule

⁷ CD145 Joint Retail Study – Volume 1 Capacity Analysis and CD145a Joint Retail Study – Volume 2 Purbeck 2008

of a large store of 2,000sqm, (which exceeds the actual quantitative needs identified). However, NLP advised that a larger store would be required to provide an attractive alternative to existing stores in Poole and Dorchester, at that time leading NLP to the conclusion that a large food store at Wareham could improve retention rates, thereby providing qualitative benefits to residents (RIA, Paras 4.52-4.55), provided that the impact of doing so was considered acceptable.

15. NLP then considered the impact of a new food store upon existing shops within the town centre. The RIA concluded in para 6.66 that an extension of the Co-Op in Swanage would have the lowest level of impact upon Swanage and Wareham town centres. However, at this time the Co-Op had not indicated an interest in redeveloping their store in Swanage. As NLP did not consider this town centre option deliverable and based on their assessment of the potential qualitative benefits to residents, it led NLP to recommend that a food store should be considered at Wareham (RIA, para 7.6).
16. The RIA omits reference to a quantitative floor space target for Purbeck. Subsequently, NLP's November 2011 statement clarifies this omission. The RIA should have referred to a total quantitative need of 742sqm of food floor space, based on the surplus expenditure of £8.57-£13.35m by 2027, as set out in para 4.28 of the RIA. However, NLP's November 2011 statement increases the overall quantitative needs from 742sqm to 1,260sqm by 2027, based on the slightly higher population projections. The new population projections also provide analysis for the first time on the location of housing growth within the District. This information was not incorporated into the RIA.
17. In late 2011, the Co-Operative Group approached the Council to express an interest in extending its Swanage town centre store. Its letter of intent is attached as an appendix to the Economic Context background paper. Discussions between the Co-Operative Group and the Council are now underway as part of the preparation of the Swanage Area Action Plan. At this early stage, options range from a small extension of the existing Co-Op store, to replacement with a new larger store that could satisfy the revised District-wide retail floorspace requirements.
18. Paragraph 4.54 of the RIA concluded that there would not be enough expenditure capacity to support two stores of 2,000sqm, one at Wareham and one at Swanage. The RIA does advise that two smaller stores could provide a viable option, but would not provide an attractive offer that would divert trade from larger stores in Poole and Dorchester. The Council believes that due to a lack of capacity for new food floor space during the plan period, a large out of town store at Wareham would miss the opportunity to regenerate Swanage and Upton town centres and thus improve the vitality and viability of these centres.
19. Objectors are also concerned that the household survey data underpinning the RIA is based upon the evidence of household survey undertaken in the 2008 Retail Study that also covered Christchurch, East Dorset and North Dorset Districts. In order to provide a Purbeck focused RIA, the household data was disaggregated by district boundary. The sub-sample sizes are not statistically reliable, but provide a reasonable guide for existing shopping patterns. In response to these concerns, the Council is collecting its own survey data of 400 shoppers in Wareham town centre, a sample size which Dorset County Council research team has advised is statistically reliable.

20. The Council remains concerned about the potential impact of an out of town centre food store upon the viability of Wareham town centre. The Wareham Chamber of Trade is concerned that the RIA predicted impact of 10-17% on food stores (RIA, para 6.3.4) and that up to 74% of shops in Wareham town centre (RIA, para 6.23) is underplayed and would actually have a more devastating effect.

7.2.1 Should the allocation of retail floor space be resolved in the Core Strategy?

21. NLP's November 2011 statement advises the Council if the preferred strategy is to maintain existing markets shares and minimize impact on town centres then there is no need for a strategic foodstore allocation in the Core Strategy. The retail floorspace target of 1,300sqm can be met in town centres or edge of centre sites and local centres. NLP also advise that this need does not have to be met until the later stages of the plan period (by 2027).
22. On this basis, NLP recommend that the bulk of the additional food floor space identified (950sqm) should be delivered at Swanage. Policy RFS is not locationally specific, but para 6.7.3.2, as drafted in the Minor Changes Schedule (change no 32), provides an appropriate strategic steer to subsequent plans by indicating that the bulk of this provision should be found in Swanage in order to best meet local needs. Work has started on the Swanage Area Action Plan (AAP). A key objective of the AAP will be to address the redevelopment opportunities in Swanage town centre. As discussed above, the possible redevelopment of the existing Co-Op store also offers potential for much wider regeneration opportunities within Swanage town centre and the edge of centre. This could also offer opportunities to provide more non-food retail floor space.
23. There are no available sites of a suitable size for new food or non-food in Wareham town centre or its edge of centre and therefore new floor space will need to be met where there is space, principally in Swanage town centre, although other opportunities exist in Upton town centre. There may be additional small-scale opportunities within local retail centres. The Site Allocations Plan will allocate suitable sites to meet the needs not met through the Swanage AAP.

7.3 Does policy RFS sufficiently reflect national policy? Is policy RFS sufficiently clear?**NPPF**

24. Para 14 of the NPPF sets a presumption in favour of sustainable development, where local plans should meet objectively assessed needs, unless any adverse impacts would significantly and demonstrably outweigh the benefits. The Council's retail evidence base is up to date and has been objectively assessed by retail consultants.
25. The NPPF focuses on the importance of supporting the vitality and viability of competitive town centre environments as the heart of the community. The Core Strategy fulfills this objective by positively encouraging growth within town centres and local centres.
26. Para 23 of the NPPF includes 10 requirements the Council needs to consider in preparing the Core Strategy. The Core Strategy satisfies some of these

requirements, with some passed to subsequent plans. Each requirement is responded to in turn below:

- The strategy of focusing new retail floor space into town centres, and edge of centres, fulfills the requirement to support town centres.
- Policy LD: Location of Development defines a network of retail centres. New retail development must be located in town centres and local centres in accordance with Policy RFS: Retail Floor space Supply and Policy RP: Retail Provision.
- Town centre and local centre boundaries are being carried forward from the Purbeck Local Plan Final Edition (2004) onto the Proposals Map. NLP recommend in their 2008 Retail Study the extent of the town centre boundaries and the introduction of primary and secondary shopping frontages in Swanage. These recommendations will inform the review of boundaries in the Swanage AAP and the Site Allocations Plan. Policy RP: Retail Provision sets out what uses are allowed within town centres and local centres as set out in the Minor Changes Schedule (change no 87).
- The focus on town centres and the need to find 1,300sqm of food and 2,000sqm of non food floor space during the plan period will encourage competition in town centres and offer opportunity for diversity that reflects the individuality of town centres. However, due to a lack of available space it will be difficult to increase floor space in Wareham town centre.
- The Core Strategy will not affect the existing markets in both Swanage and Wareham. Some of the identified need for food and non-food floor space could also be taken up through the provision of new markets.
- The Core Strategy does not allocate retail sites, instead passing the decision to more detailed subsequent plans, principally the Swanage Area Action Plan and the Site Allocations Plan. As discussed in 7.2 above there is no need to allocate any strategic retail allocations in the Core Strategy. There is capacity in Swanage and Upton town centres, and edge of centres, to meet the Core Strategy floor space requirements, with some further capacity in local centres. As discussed under 7.1, the Co-Operative group has indicated a willingness to bring forward new retail development in Swanage town centre.
- As for criteria above, if edge of town centre sites are required for retail provision, they will be allocated through the Swanage AAP and Site Allocations Plan.
- New retail development outside of town centres must not adversely affect the vitality and viability of town centres, and will be judged against Policy RP: Retail Provision and Policy LD: Location of Development. Officers are also proposing a change for the Inspector to consider in accordance with NPPF para 26. Officers would like to set a threshold of 1,000sqm for new retail, leisure and office developments, outside of town centres, where a retail impact assessment will be required, as set out in para 30 below. The RIA indicates that development under the 2,500 sq m threshold is likely to have a significant impact on town centres, therefore a lower threshold is appropriate in these local circumstances.

- Although there is no explicit reference, the Core Strategy would encourage mixed use development within town centres including residential.
- The new floor space and regeneration opportunities identified in Swanage and Upton will enhance and revitalise both town centres and encourage economic activity.

27. Para 24 of the NPPF requires councils to apply a sequential test to new retail proposals. The Core Strategy applies a sequential test by directing any new proposals for main town centre uses to the town centres first. Where town centre sites are not available (e.g. Wareham), the sequential test would apply to any planning application and the applicant would need to demonstrate that there are no suitable sites within any other town centres (e.g. Swanage and Upton) before any out of town sites could be considered.

28. Para 25 of the NPPF exempts small-scale rural development and offices from a sequential approach. The Core Strategy allows for such uses within rural areas to encourage rural diversification and greater self-containment of settlements.

29. Para 26 of the NPPF advises councils on how to deal with proposals for retail, leisure and office development outside of town centres and encourages councils to set local thresholds. As these types of developments could have a significant impact upon town centres, officers propose, as stated above, that a locally set threshold of 1,000sqm that would trigger a requirement for a retail impact assessment.

Clarity of Policy RFS

30. Policy RFS, as revised in the Minor Changes Schedule (change no 32), updates the level of additional retail floor space required and provides greater clarity on the definition of 'centres'. The revised policy directs new retail provision to town centres and local centres. This change has also been repeated in Policy LD: Location of Development and Policy RP: Retail Provision, in order to ensure consistency.

31. The Council considers this amended policy provides a suitable strategic direction for new retail floor space. As discussed above, the policy is not locationally specific in order to allow some flexibility to meet needs across the District where opportunities arise in town centres and local centres. The policy will be monitored to ensure needs are met.

Suggested changes for the Inspector to consider

32. Changes 31, 32 and 87 of the Minor Changes Schedule⁸ set out the Council's revised retail policies in light of the new evidence from NLP. Officers also propose the following text to be added to Policy RFS: 'Planning applications for retail, office or leisure development over 1,000sqm that are outside of town centre boundaries will need to submit a retail impact assessment to the Council that meets the requirements of the NPPF'. These changes will be consulted on as a modification to the Core Strategy after the hearings have been completed.

⁸ SD26: Minor Changes Schedule