# RETAIL IMPACT THRESHOLD ADVICE FOR WAVENEY DISTRICT COUNCIL

## FINAL REPORT

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# 1 INTRODUCTION

1.1 Carter Jonas ('CJ') has been instructed by Waveney District Council ('WDC') to provide advice on the appropriateness of a local floorspace threshold for the purposes of applying the National Planning Policy Framework (NPPF) retail impact test (as per Paragraph 26 of the NPPF). This is intended to provide the Council with an evidence base to justify applying a locally set threshold, enabling greater scope in identifying impact associated with proposed retail development at edge or out-of-centre locations.

1.2 The advice provided in this report may be used as supporting evidence for the preparation of the Waveney Local Plan, and in particular draft Policy WLP8.18 – New Town Centre Use Development.

## Background

1.3 Without an agreed local threshold, the default threshold of 2,500 sqm set by the NPPF (Paragraph 26) will apply to all retail proposals located at edge or out-of-centre locations.

1.4 In April 2016 CJ produced a Retail and Leisure Needs Assessment for WDC to inform the evidence base for the policy approach to town centres, retail and commercial leisure development set out within the emerging Local Plan (the '2016 Study'). The 2016 Study included (at Section 15), advice on the appropriate floorspace threshold for applying the retail impact test. It was recommended that a threshold of 350 sqm should be adopted instead of the default national threshold utilised within the NPPF. This report sets out further, more detailed evidence as to the basis for this recommendation, and in so doing takes the opportunity to update the relevant 2016 Study commentary as regards recent retail trends, health checks for the main centres within the district, and any recent commitments for retail floorspace.

1.5 The draft Local Plan has recently been the subject of public consultation. In response to this consultation we understand there were two objections to the floorspace threshold proposed via draft Policy WLP8.18, as follows:

- Brookhouse Group (via Savills) – owners and operators of the out-of-centre North Quay Retail Park in Lowestoft. Savills suggested there is not sufficient basis to depart from the NPPF threshold; and
- Sainsbury's (via Indigo) – we understand Sainsbury's do not presently operate a store within the District (but presumably have a requirement). Indigo accept that a local threshold is appropriate, and suggest a threshold of 750 sqm

1.6 Thus, at the outset it can be said that there are only two objectors to the proposed local threshold, and one of those implicitly accepts that a threshold substantially lower than the NPPF default threshold is appropriate.

## The Purpose of a Local Threshold

1.7 A local impact threshold for new retail development provides local planning authorities with more scope in assessing and considering the impact of new edge and out-of-centre floorspace on the vitality and viability of their respective town, district and local centres, including both trading impact on existing floorspace and also the potential impact on existing, committed and planned public and private investment in accordance with the NPPF (Paragraph 26).

1.8 Recent retail trends indicate that there is a greater tendency for the development of smaller retail schemes at out-of-centre locations nationally and locally (and also, on an individual unit basis, a trend towards slightly larger units for some retailers – but still typically below 2,500 sqm gross). In many cases, proposals are below the NPPF's default threshold, and where a local threshold is not in place, applicants often do not have to undertake an impact assessment. Notwithstanding, this is no guarantee that such proposals might not significantly and adversely impact on the role, function, vitality and viability of a District's network of centres, either individually or cumulatively over a period of time.

### Report Structure

1.9 The methodology and reporting output is set out as follows:

- **Section 2** reviews the existing threshold guidance for national policy and local policy;
- **Section 3** outlines the national retail and town centre trends, specifically the growth of out-of-centre retailing and increase in the number of smaller food retail convenience stores
- **Section 4** summaries the health of each centre in Waveney District Council;
- **Section 5** analyses the existing floorspace characteristics across the District;
- **Section 6** then examines approved planned and committed retail development proposals and the potential effect of these on the local centres;
- And finally, **Section 7** concludes the evidence and recommends the appropriate localised threshold for each centre.

# 2 RELEVANT PLANNING POLICY

2.1 This section provides an overview of current policy guidance on impact thresholds for retail impact assessments including national guidance and development plan (current and emerging) policies, as well as relevant evidence base documents including the 2016 Retail Study and representations made to the draft Local Plan.

## National Policy and Guidance

2.2 National guidance on retail impact thresholds for LPAs is set out in Paragraph 26 of the National Planning Policy Framework (NPPF). It states:

> *"When assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500sqm)."*

2.3 The NPPF's default threshold has remained the threshold for the majority of Councils in the UK, though it is unclear exactly how the threshold has been informed. It was likely influenced by the trends for retail floorspace development at the time, which reflected a growth in medium to larger format food stores in edge and out-of-centre locations.

2.4 The National Planning Policy Guidance (NPPG) provides further guidance on the application of the NPPF. It indicates that for LPAs seeking to identify a locally appropriate threshold it will be important to consider the:

- scale of proposals relative to town centres;
- the existing viability and vitality of town centres;
- cumulative effects of recent developments;
- whether local town centres are vulnerable;
- likely effects of development on any town centre strategy; and
- impact on any other planned investment.

2.5 The need to set a local threshold reverts back to the reasons for seeking an impact assessment in the first place. As the NPPG states in Paragraph 14, impact assessments are required to determine whether proposals in certain locations will have an impact on existing, committed and planned public and private investment or on the role of centres.

## Local Policy and Guidance

2.6 The development plan consists of the following documents:

- Core Strategy (adopted January 2009);
- Development Management Policies (adopted January 2011);
- Site Specific Allocations DPD (adopted January 2011)
- Lowestoft Lake Lothing and Outer Harbour Area Action Plan (adopted January 2012); and

- The draft Waveney Local Plan (published July 2017).

***Core Strategy (2009)***

2.7 The Core Strategy (2009) is the key central Development Plan Document of the existing Local Plan. It sets out the vision, objectives, spatial strategy and core policies to guide development up to 2021.

2.8 **Policy CS10 (Retail, Leisure and Office Development)** focuses on the scale and location of new retail and leisure provision to protect and maintain the vitality and viability of all town and district centres. Lowestoft town centre is the preference for retail and leisure development, specifically through the expansion of the town centre towards the Lake Lothing and Outer Harbour water frontage; followed by Beccles, Bungay, Halesworth and Southwold.

2.9 Of particular note so far as this report is concerned is the position that the policy requires all applications for town centre uses in edge and out-of-centre locations, whatever their scale, to be accompanied by an impact assessment. As noted elsewhere in this report, this ‘zero’ threshold appears to have effectively been superseded by the NPPF (notwithstanding that it remains part of the statutorily adopted development plan).

2.10 **Policy CS05 (Lake Lothing and Outer Harbour Area Action Plan)** focuses on enhancing Lowestoft as a retail centre, comprising the provision of around 21,000sqm of new comparison floorspace and associated leisure uses, in an extension to the town centre in the Lake Lothing area. We note the area appears to include the North Quay retail park.

***Development Management Policies***

2.11 The Development Management Policies Document (2011) sets out the specific policies for retail and leisure development in the District. The relevant town centres, retail and leisure policies are discussed below.

2.12 **Policy DM10 – Town Centre Boundaries** states that proposals for new retail and leisure development will be permitted within the town centres of Lowestoft, Beccles, Bungay, Halesworth and Southwold. Development which consists of a change of use in ground floor premises from Class A1-A5, D2 and sui generis leisure uses to other uses will not be permitted.

2.13 **Policy DM11 – Lowestoft Town Centre Main and Core Shopping Streets** sets out the Council’s policy for change of use of ground floor premises located in the main shopping streets. Uses other than A1-A5, D2 and sui generis will not be permitted. Throughout core shopping streets, applications for the change of use of ground floor premises from A1 to A2 will not be permitted. Proposals for changes of use to A3 and A4 will be permitted where they would have no significant impact either individually or cumulatively on the retail function and overall viability of the centre. Proposals for change of use of ground floor premises in the core shopping streets to A5 will not be permitted.

***Site Specific Allocation DPD (2011)***

2.14 The Core Strategy provides the basis for the Site Specific Allocation DPD (2011). The DPD identifies land for a variety of uses, including housing, employment, community and mixed uses. These allocations will be delivered during the plan period to 2021. The DPD focuses on the towns in the District and their surrounding areas, including: Lowestoft, Beccles, Bungay, Halesworth and Southwold.

***Lowestoft Lake Lothing & Outer Harbour Area Action Plan (2012)***

2.15 **Policy RLT1 – Town Centre Expansion and Retail within the AAP Area** sets out the vision for new comparison retail and leisure to form part of a town centre expansion. As we understand the identified location for this is within the area identified as site SSP2 as shown on Fig.1.5.1, pp.11 of the document. In other words, this does not change the policy status or designation of, for example, North Quay Retail Park as an out-of-centre location in retail terms. But as paragraph 3.3.4 of the AAP notes, the land available for retail expansion of the town centre is likely to be limited, and there are also likely to be viability constraints.

***Retail and Leisure Needs Assessment (2016)***

2.16 This study was published in April 2016 and forms part of the evidence base that informed the draft Local Plan. As part of the study health check assessments were undertaken for the main centres within the District, namely Lowestoft, Beccles, Bungay, Halesworth, and Southwold. The assessment concluded that the centres were, in the main, vital and viable, albeit not without certain issues and challenges. However, the research and fieldwork underpinning the assessments was carried out in late 2015, and there have been some changes since that time. These are noted under the relevant centre sub-headings in Section 4 of this report.

2.17 The 2016 study concluded that, by 2026, there would be moderate capacity for additional convenience shopping floorspace within the District (approximately equating to one or two new smaller format stores), whereas for comparison shopping floorspace there was forecast to be a deficit initially, with only a very modest surplus by 2026 – unlikely to be sufficient to justify any retail allocations without contemplating a market-share enhancing scheme.

# 3 NATIONAL RETAIL AND TOWN CENTRE TRENDS

3.1 The 2016 Study contained (at Section 3) a comprehensive review of trends relevant to the planning for retailing and town centres in general. This included data on the both the food (convenience) and non-food (comparison) sectors, in particular, the move towards smaller stores for food retailers and the move towards larger stores for non-food retailers. Since that time, these general trends have continued, albeit with some subtle but important changes.

3.2 In terms of the food retailers, in some locations there has been a slow-down of the rate of opening of small 'convenience' stores, and in a few instances even some store closures – the latter likely to be a reflection of those particular localities either reaching saturation point, and / or retailers closing some poorer performing stores and seeking to replace them with better performing units in due course. Typically, such stores will be no larger than 500 sqm (gross), and often smaller.

3.3 As the discount operators (Aldi and Lidl) continue to take market share and become very much part of the established food shopping marketplace, it is becoming apparent that they are seeking to capitalise on their growing presence and popularity by adding to the number of lines stocked in a typical store (within existing product ranges) and potentially improving and widening the product ranges. Thus, the typical description of such a store has now evolved into one of 'limited assortment discounter' (or LAD) where the focus is on both value (price competitiveness) and value-for-money (quality versus price). In order to accommodate these subtle but important changes to their store portfolios, both Aldi and Lidl have increased the size of new stores. A recent example of this is the rebuilding of the Lidl store adjacent North Quay retail park in Lowestoft, resulting in both a larger store overall (by 691sqm) and a larger back of house / storage area (to facilitate greater stock handling capability). Notwithstanding this, the majority of stores remain below 2,500 sqm

3.4 Reflecting this pattern, M&S now has two distinct food store formats: it's Simply Food convenience store format, often situated on High Streets or locations with high foot-fall, and catering predominantly to the needs of those undertaking basket shopping, perhaps for lunch or top-up shopping needs; and, their Food Hall format more focused on shoppers looking to meet some of their bulkier food shopping needs, and reflecting the trend for shoppers to visit stores more frequently and undertake smaller transaction levels than the traditional 'weekly shop'. Typically, such stores would comprise about 1,750 sqm floorspace (gross), and have access to adjacent customer parking for trolley as well as large basket purchases.

3.5 In a similar way, Iceland now operates two seemingly separate store formats, with its more recent Food Warehouse format reflecting the trend towards bigger stores with adjacent customer car parking. An example of the Warehouse format opened at North Quay retail park in Autumn 2016 (Iceland still operating, for the time being, from its established unit within the Britten Shopping Centre in Lowestoft town centre).

3.6 Turning to the comparison sector, the general trends remain as set out in our April 2016 report. If anything, the number of proposals coming forward for new, or changes to existing out-of-centre retail floorspace has accelerated. Some key retailers, such as M&S and Next, continue to take new space within schemes. In a few instances this has resulted in town centre store closure, and / or relocation from out-moded out-of-centre stores.

At the same time, there continue to be store closures within town centres, some triggered by the failure of individual retailers. A notable example that is relevant to the District and Lowestoft town centre is the failure of Bhs in summer 2016, and the closure of all stores. We understand the store in Lowestoft, with frontages to both The Britten Centre and London Road North, is the largest single retail unit within the town centre. At the time of writing it remains unlet, some 16 months after Bhs vacated.

3.7 In summary, while high streets and town centres are continuously striving to adapt to changes in the retail environment, and retailer and shopper preferences, it is clear that the growth of out-of-centre retail development, the continued rise of online shopping, change in consumer habits, rising vacancy levels, the loss of key retailers to out-of-centre locations, and matters such as Brexit and other global uncertainties have left town centres more vulnerable, and perhaps less able to fight against these pressures and maintain a healthy, vital and viable environment.

# 4 SUMMARY HEALTH CHECK UPDATES

4.1 An important factor in determining the appropriateness of a local floorspace threshold for retail impact testing is an understanding of the health of relevant centres. For the purposes of this report those centres are the main centres in the District: Lowestoft; Beccles; Bungay; Halesworth; and, Southwold. Full health checks for these centres were undertaken as part of CJ's 2016 Retail and Leisure Needs Assessment.

4.2 We set out below a summary and, were appropriate, update of the data relevant to this report. It should be borne in mind that as well as any changes in local circumstances (as noted below) the macro economic climate has changed relatively significantly, for example with Brexit, rising inflationary pressure and the first increase in interest rates for a decade. We anticipate that these, and other factors will have an influence on consumer spending.

## Lowestoft

4.3 In summary, based on our 2016 Study Lowestoft was considered to have a number of strengths and weakness as a shopping location. These key points are summarised below:

- The centre has a good range of high street comparison brands as well as a range of independent retailers, particularly concentrated along the High Street.
- However, the area south of Station Square is on the periphery of the centre with very little retail provision. This area could benefit from further investment from major comparison retailers to help 'claw back' some leakage of shoppers and expenditure to other larger town centres.
- The Triangle Market place needs to be better promoted and improvement of this area could also help to regenerate the High Street and improve its draw to a wider customer base.
- There is a small proportion of food and convenience stores in the town centre in comparison to the District's market towns.
- Vacancy levels across the town centre have remained relatively high.

4.4 Based on the most recent town centre survey data[1] provided by WDC, there are a total of 241 retail, commercial and leisure services units (A1-A5, D2 and sui generis) in Lowestoft town centre. This represents a decrease from our 2016 Study which identified a total of 280 retail, service and leisure units.

4.5 In terms of vacancies, the recent audit identifies a total of 30 vacant units. This represents a vacancy rate of 12.4% which is slightly above the national average of 11.2%.

4.6 In terms of retail (Class A1), 91 comparison units were identified in the primary shopping area, equivalent to 64.3% of all class A1 and sui generis uses. This largely consisted of clothing and fashion accessory shops. A high proportion of electrical goods was identified (9.2%). For convenience shopping, the centre was found to be limited compared to other market towns in the district. The centre is anchored by a smaller format Iceland and

[1] This analysis includes units only within Policy DM10 Town Centre Boundaries. CJ's 2016 Study examined a slightly wider area, primarily in Lowestoft, based upon Goad and other data. Hence, there is a slight variation in figures, albeit this does not materially affect the results.

Tesco stores, and Almis, an independently owned store. This limited provision is due to the larger offer found out-of-centre.

4.7 One significant change since our 2016 Study is that BHS closed all UK stores in the summer of 2016. Bhs occupied a large unit in central Lowestoft town centre. This unit has remained empty since August 2016. This closure is likely to have reduced footfall in the centre, and negatively impacted the overall perception of the town centre and thus its health and stability.

4.8 Another change has, we understand, been the decision of the (new) owner of the Britten Shopping Centre to remove the market mall traders from the western end of the main centre mall. It is not clear what intentions the owner has for this space.

4.9 Furthermore, since our 2016 Study the town centre may have been impacted in terms of trading as a result of the opening of new stores at North Quay Retail Park, including Home Bargains, Iceland (Food Warehouse) and TK Maxx. As well as this, the demolition, redevelopment and enlargement of the Lidl store located on Peto Way (opposite the North Quay Retail Park), may have also impacted on trading in the town centre.

### Beccles

4.10 In summary, based on existing evidence, Beccles was considered to have a number of strengths and weakness as a shopping location. These key points are summarised below:

- Despite the small size of the units, Beccles has a relatively strong and wide-ranging retail offer, comprising a good mix of national multiples, independent and niche retailers and businesses.
- The Beales department store, Tesco store and other national multiples together have an important anchor role helping to generate shopping trips, footfall and expenditure to the benefit of the town's other shops and services.
- The mix of independent shops and cafes provides an offer that serves the daily top-up shopping requirements of local residents and attracts visitors from the surrounding settlements.
- Although there is a relatively weak convenience offer in terms of unit numbers, it has the highest floorspace provision of all the market towns due to the large Tesco store. This has provided significant new car parking for the town centre, and encouraged footfall and linked trips into the town centre.
- The markets have been shown to be successful in drawing in trade to the area.

4.11 WDC's most recent audit of town centre uses in 2017 identified 187 retail, commercial and leisure services units (A1-A5, D2 and sui generis) in the town centre. This represents an increase from our 2016 Study which identified a total of 183 retail, service and leisure units.

4.12 In terms of vacancies the recent audit identifies a total of 10 vacant units. This represents a vacancy rate of 5.3% which is significantly below the national average of 11.2%. This vacancy rate has decreased since our 2016 Study that identified 13 vacant units, equal to a vacancy rate of 7.1%. Clusters of vacancies are evident on Blyburgate and New Market.

4.13 In terms of Class A1 retail use, Beccles was found to have a relatively good provision of comparison goods units (65.8% of all class A1 and sui generis uses). Of this total, 9.7% are classified as charity shops (11 units), which is higher than for the other market towns. Beccles also has 11 clothing and accessories outlets, which is equivalent to 8.9% of total provision, the second highest in the District. For convenience retailing, the provision is lower than the other market towns, but the town has the largest gross floorspace with the Tesco store (7,074 sqm).

### Bungay

4.14 In summary, Bungay was considered to have a number of strengths and weakness as a shopping location, as well as potential opportunities for new investment. These key points are summarised below:

- The comparison offer in Bungay is low. It has the smallest proportion of comparison units compared to the District's other market towns. This offer is focused on home furnishings and charity shops. There is only one 'major retailer' within the town centre (Boots). The provision is dominated by independent operators particularly along Earsham Street. Increasing national brands offer could enable the centre to compete with other centres in and outside of the district.
- The town centre has a strong convenience offer with two larger convenience stores (Primer and Bungay Shopper) supplemented by local independent convenience stores.
- The vacancy rate has increased and is above the national average.

4.15 WDC's most recent audit of town centre uses in 2017 identified 109 retail, commercial and leisure services units (A1, A2 and A4) in the town centre. This no change from our 2016 Study which also identified a total of 109 units.

4.16 In terms of vacancies, the recent audit in 2017 found a total of 15 vacant units, representing a 13.7% vacancy rate which is significantly above the national average of 11.2%. This vacancy rate has increased since the Council's *Retail Factsheets* in 2015, which recorded the vacancy rate at 11.9% with 13 vacant units.

4.17 In terms of representation, Bungay has a low representation of comparison units (56.9%) when compared to the other market towns. There is a high representation of charity shops (8.3%). There is no anchor food store in the town centre but there is a relatively good provision of convenience outlets, equivalent to 18.06% of total units. These consist of two small supermarkets within the town centre (Premier and Bungay Shopper).

### Halesworth

4.18 In summary, Halesworth is considered to be healthy and viable centre with a number of strengths and weakness as a shopping location, as well as potential opportunities for new investment. These key points are summarised below:

- The comparison offer is focussed on arts and crafts and antiques and second hand goods.
- There are only a handful of major multiple retailers in the defined town centre boundary (principally Boots and Spar).

- The centre has the highest proportion of convenience units compared with all the District's market towns, comprising the small Spar store and a range of independent convenience retailers.
- A weekly market operates in the centre.
- Vacancy rates across the town centre have decreased and remained below the national average.

4.19 WDC's most recent audit of town centre uses in 2017 identified 96 retail, commercial and leisure services units (A1 – A5 and Sui Generis) in the town centre. This represents an increase from our 2016 Study which identified a total of 92 units.

4.20 In terms of vacancies, the recent audit in 2017 found a total of 6 vacant units, representing a vacancy rate of 6.3%. This is significantly below the national average of 11.2%. In 2016, the vacancy rate was 5.4%, representing an increase in vacant units.

4.21 In terms of representation, there is a good provision of comparison units and floorspace. It has the highest proportion of art and craft shops (8.47% of all class A1 uses) compared to the District's other market towns. The provision of convenience outlets in Halesworth (18.64% of total outlets) is the highest of all the centres in Waveney District. Furthermore, a key positive trend identified is a 40% increase in the number of restaurant and cafés. Leisure service provision is below UK average in which sports and leisure facilities, night clubs and bingo halls are not represented in Halesworth.

### Southwold

4.22 In summary, Southwold is still considered to be a healthy and viable centre with a number of strengths and weakness as a shopping location, as well as potential opportunities for new investment. These key points are summarised below:

- Southwold has the strongest comparison offer across the District's market towns. The comparison offer is focused on clothing and accessories, arts and crafts and antique and second hand goods.
- There is a good number of national multiple stores for a town of its size, particularly in comparison to the District's other market towns.
- The centre does not have a major anchor foodstore but the smaller convenience offer is good, comprising Co-op and Tesco Express and a number of local independent convenience stores
- The town has a dual shopping role as it provides for both tourists, through the abundance of independent and specialist stores, and for local residents, with a strong provision of convenience goods.
- Southwold has a higher proportion of café and restaurant provision than Halesworth, Beccles or Bungay.
- There is a need for additional, convenient parking to ensure trade in, the town is not limited
- Southwold's seafront setting provides an attractive backdrop to the town and alongside the town's historic buildings and independent retailing, contributes to the centre unique character.

4.23 WDC's most recent audit of town centre uses in 2017 identified 77 retail, commercial and leisure services units (A1-A5, D2 and sui generis) in the town centre. This represents an increase since our 2016 Study which identified a total of 76 units.

4.24 In terms of vacancies, the recent audit in 2017 found a total of 5 vacant units, representing a 6.5% vacancy rate. This is significantly below the national average of 11.2%. In 2016, the vacancy rate was 5.3%, representing an increase in vacant units.

4.25 In terms of representation, Southwold has an excellent provision benchmarked against the other market towns. Comparison goods represent 69.23% of all Class A1 and Sui Generis uses in the town centre which is higher than for the District's other centres. These consist of clothing and fashion accessory stores, art/craft shop and antique/second hand good stores. This reflects the specialist nature of Southwold's retail provision, catering for its wider tourist and visitor market. There are two small supermarkets, a Tesco Express and Co-op which are supported by a range of independent convenience occupants (including a bakery, delicatessen and butchers. Major multiple retailers in the centre include WH Smith, Tesco, Co-op, Fat Face, Joules, Crew Clothing and Jack Wills.

### Summary

4.26 In summary, it is evident that while the majority of centres have remained fairly constant in their retail offer and performance, there have been some material changes since the health check assessment that were carried out in late 2015. These may negatively affect the overall health of the centres. Lowestoft in particular has experienced changes, most notably including the closure of the large Bhs store (which still remains vacant) and the opening of retail stores at North Quay Retail Park. Although we cannot make definitive conclusions without further survey work, it is clear that Lowestoft town centre continues to face significant challenges from out-of-centre locations, as well as the pressure from internet retailing.

# 5 MAIN CENTRES: FLOORSPACE ANALYSIS

5.1 In order to expand on the information on the health of centres within the previous section, further recent surveys of the various centres has been undertaken by the Council in October 2017. Based on this latest, up-to-date data we have prepared the following analysis, relevant to the consideration of a local floorspace threshold for impact testing.

## Composition Analysis

5.2 The tables below identify the unit and floorspace breakdown for each centre within Policy DM10 Town Centre boundaries. It is evident that A1 retailing uses are the most prominent uses in all of the centres, followed by financial and professional services and restaurants and cafés.

**Table 5.1: Centre Composition Analysis – Units**

| Units | Lowestoft | Beccles | Bungay | Halesworth | Southwold |
|---|---|---|---|---|---|
| **A1 Shops** | 114 | 114 | 64 | 56 | 49 |
| **A2 Financial and Professional Services** | 61 | 34 | 11 | 19 | 12 |
| **A3 Restaurants and Cafés** | 14 | 12 | 7 | 7 | 10 |
| **A4 Drinking Establishments** | 3 | 3 | 5 | 2 | 0 |
| **A5 Hot Food Takeaways** | 5 | 6 | 4 | 3 | 0 |
| **D2 Assembly and Leisure** | 5 | 5 | 1 | 0 | 1 |
| **Sui Generis** | 9 | 3 | 2 | 3 | 0 |
| **Vacant** | 30 | 10 | 15 | 6 | 5 |
| **Total** | **241** | **187** | **109** | **96** | **77** |

**Table 5.2: Centre Composition Analysis – Floorspace (sqm.)**

| Units | Lowestoft | Beccles | Bungay | Halesworth | Southwold |
|---|---|---|---|---|---|
| **A1 Shops** | 29,661 | 15,576 | 8,435 | 5,954 | 4,795 |
| **A2 Financial and Professional Services** | 7,918 | 3,914 | 1,180 | 2,177 | 1,081 |
| **A3 Restaurants and Cafés** | 2,056 | 1,421 | 644 | 789 | 939 |
| **A4 Drinking Establishments** | 679 | 908 | 928 | 661 | 0 |
| **A5 Hot Food Takeaways** | 341 | 428 | 388 | 192 | 0 |
| **D2 Assembly and Leisure** | 2,257 | 831 | 121 | 0 | 84 |
| **Sui Generis** | 2,323 | 883 | 507 | 225 | 0 |
| **Vacant** (of which 5,967 is vacant A1) | 7,268 | 729 | 2,158 | 628 | 736 |
| **Total** | **52,503** | **24,690** | **14,361** | **10,626** | **7,635** |

5.3 The largest amount of A1 units is both Lowestoft and Beccles (114 units), with Lowestoft having a significantly higher amount of floorspace (29,661 sqm). Lowestoft also has the largest amount of total floorspace (52,503 sqm) across all Use Classes. This is to be expected given the size, role and function of the town centre. What is notable is the amount of vacant Class A1 floorspace in Lowestoft town centre which accounts for 16.7% of the total A1 floorspace.

5.4 Beccles follows behind Lowestoft in terms of total units and floorspace. The number of units and amount of floorspace decreases systematically throughout the following centres, with Southwold having the lowest amount of units and smallest amount of floorspace.

5.5 The largest (occupied) units for each centre are listed below:

- Lowestoft: 2,687sqm (Wilkinson's – A1 Variety Store);
- Beccles: 4,663sqm (Tesco Superstore – A1 Supermarket);
- Bungay: 767sqm (The Original Factory Stop – A1 Variety Store);
- Halesworth: 492sqm (The Angel Hotel – A4 Public House / Bar); and
- Southwold: 507sqm (Adnams Wine Cellar and Kitchen Store – A1 Off Licence).

## Average Floorspace

5.6 The average gross size of retail floorspace for each centre is listed in Table 5.3 below.

**Table 5.3: Average Unit Size (sqm.)**

| Units | Lowestoft | Beccles | Bungay | Halesworth | Southwold | Average |
|---|---|---|---|---|---|---|
| **A1 Shops** | 260 | 136 | 131 | 106 | 97 | 146 |
| **A2 Financial and Professional Services** | 129 | 115 | 107 | 114 | 90 | 111 |
| **A3 Restaurants and Cafés** | 146 | 118 | 92 | 112 | 93 | 112 |
| **A4 Drinking Establishments** | 226 | 302 | 185 | 330 | 0 | 208 |
| **A5 Hot Food Takeaways** | 68 | 428 | 97 | 64 | 0 | 131 |
| **D2 Assembly and Leisure** | 451 | 166 | 121 | 0 | 84 | 164 |
| **Sui Generis** | 258 | 294 | 253 | 75 | 0 | 176 |
| **Vacant** | 242 | 72 | 143 | 104 | 147 | 141 |
| **Average** | **222** | **203** | **141** | **113** | **63** | **148** |

5.7 The average size of shop units is similar for Beccles (136 sqm) and Bungay (131 sqm), as well as Halesworth (106 sqm) and Southwold (97 sqm). The average unit size in Lowestoft is 260 sqm, but this is to be expected given that it is the largest centre in the district. Across all the centres, the average unit is 148 sqm, with 146 sqm for shops, 111 sqm for financial and professional services, 112 sqm for restaurants and cafes, 208 sqm for drinking establishments, 131 sqm for hot food takeaways, 164 sqm for leisure, and 176 for sui generis.

5.8 Given the average unit sizes within the centres, particularly those units presently in class A1 retail use, it is readily apparent that the average unit size is significantly below the default NPPF threshold. In our view this provides important background to the justification for adopting a local threshold significantly lower than the NPPF. Moreover, this is especially the case when the average unit size is cross-referenced with data on the health of the centres, retailer representation and recent changes therein, and the nature and scale of commitments and changes to the retailer composition over recent years – particularly within the urban area of Lowestoft.

5.9 We set out relevant information on retail commitments and changes to retailer composition within Lowestoft in the following section of this report.

# 6 COMMITTED RETAIL DEVELOPMENT PROPOSALS

6.1 This section examines retail consents in Waveney District since March 2012 (the publication date of the NPPF) including their size and location. This may assist in identifying any centres likely to be under pressure from out-of-centre development, and help inform an appropriate local floorspace threshold for the purposes of assessing retail impact. The data only relates to Lowestoft, as we understand this is the only one of the District's centres where there have been proposals of relevant size since March 2012.

## Committed Development of Town Centre Uses over 500 sqm

6.2 Table 6.1 provides a summary of planning permissions relating to 500 sqm or more (Class A) floorspace in the District since March 2012. A more detailed schedule of the various decisions is provided at **Appendix A**. In summary, 8 permissions have been granted over the past 5 years or so, equating to 16,764 sqm floorspace. As Table 6.1 shows, all the schemes are located at out-of-centre sites. Moreover, all are located within Lowestoft. This is, no doubt, reflective of Lowestoft's position within the local retail hierarchy – in turn, a function of its position as the largest centre of population within the District, and relatively good accessibility by road.

**Table 6.1: Schemes with more than 500 sqm (Class A floorspace) permitted since 2012**

| Location | Town Centre | | | Out-of-Centre | | |
|---|---|---|---|---|---|---|
| | Number of consents | Total Floorspace (sqm) | Floorspace Range (sqm) | Number of consents | Total Floorspace (sqm) | Unit Floorspace Range (sqm) |
| **Lowestoft** | 0 | 0 | 0 | 8 | 16,764 | 93 – 3,856 |
| The above breaks down as follows: | | | | | | |
| **Permission reference** | - | - | - | **Date granted** | | **Convenience / comparison split** |
| DC/16/3844/OUT | - | - | - | 15/12/2016 | 1,268 | 617 conv.<br>651 comp. |
| DC/15/5066/FUL | - | - | - | 10/08/2016 | 7,764 | 1,703 conv.<br>5,894 comp. |
| DC/15/4769/FUL | - | - | - | 20/04/2016 | 691 | 691 conv. |
| DC/16/0503/FUL | - | - | - | 01/04/2016 | 930 | 930 comp. |
| DC/14/3081/FUL | - | - | - | 26/11/2014 | 990 | 990 comp. |
| DC/14/1803/FUL | - | - | - | 03/08/2014 | 538 | 538 comp. |
| DC/13/0110/OUT | - | - | - | 27/07/2014 | 3,856 | 3,856 comp. |
| DC/12/0216/VOC | - | - | - | 21/05/2012 | 747 | 747 comp. |

Notes:

(1) Application DC/16/3844/OUT results in reconfigured and additional floorspace over and above that approved via DC/13/0110/OUT (see below for discussion);

(2) For application DC/15/5066/FUL we have excluded Unit 6 (for Costa Coffee) from the convenience / comparison split;

(3) For application DC/15/4769/FUL the floorspace is the net uplift only for the new, enlarged Lidl store;

(4) For application DC/13/0110/OUT this was refused then allowed on appeal, however the Council did not object on retail grounds;

(5) For application DC/12/0216/VOC the floorspace only includes those areas of the store where permission was sought for a wider range of goods (the gross store area, including garden centre, being 3,975sqm).

6.3 Of the 16,764 sqm granted permission, 13,586 sqm was anticipated to be for the sale of comparison goods and 3,178 sqm for the sale of convenience goods. Combined, these equate to an area of about 56% when compared with occupied Class A1 floorspace within Lowestoft town centre. Whilst this is only one comparator it does start to help to put into context the scale of permitted increase in out of centre floorspace in Lowestoft since only March 2012.

6.4 It is also of relevance to consider the individual unit sizes that these permissions would facilitate. As the table above indicates there is a wide variation in the anticipated size of units from as small as 93 sqm up to 3,856 sqm The bottom end of this range is well below the average unit size within Lowestoft town centre (222 sqm), whilst the top end of the range is larger than the largest unit within the centre (the vacant, former Bhs unit at 2,952 sqm). That said, the promoters of the site with the largest retail unit (on Denmark Road) have clearly moved away from a single retail unit of 3,856 sqm, the latest approved drawing showing a range of smaller units – notably with four units of 464 sqm, is very much consistent with the requirements of many national multiple retailers – and all well under the 2,500 sqm threshold. Indeed, in terms of all the permissions noted above there is anticipated to be only one unit (Unit 4 as per permission reference DC/15/5066/FUL at 2,787 sqm – to be occupied by The Range) in excess of the NPPF threshold.

6.5 This further highlights the importance of identifying an appropriate local threshold in order to manage future development proposals and ensure they are appropriately tested in terms of their likely impact.

6.6 We set out below some more detailed analysis of the various consents granted since 2012. We do this by grouping consents on the basis of site location (all within Lowestoft) as this provides some more insight into what, on the ground, each consent has, or is likely to, facilitate in retail terms.

***North Quay Retail Park***

6.7 This is the primary out-of-centre shopping facility within Lowestoft. It comprises a range of unit sizes offering food, non-food, bulky and non-bulky goods (including fashion and footwear). The recent pattern of consents is as follows:

*DC/16/0503/FUL (permission granted 1 April 2016)*

6.8 The permission facilitated the constructed of 930sqm mezzanine floorspace (a net gain of 788sqm) within part of the sub-divided former B&Q unit. Coupled with ground floorspace of 1,038 sqm this produced a retail unit of 1,968 sqm gross overall (Unit 6C). No impact assessment was provided with the planning application, and no condition was attached to the range of goods to be sold. The unit has been occupied by TK Maxx (a new retailer to Lowestoft), and could in future be occupied by any other class A1 retailer given the absence of any restrictions.

*DC/15/4217/FUL (permission granted 4 December 2015)*

6.9 The permission facilitated the sub-division of vacant B&Q unit via external alterations. The result of the permission was occupation by Home Bargains, Iceland / Food Warehouse, and TK Maxx.

*DC/14/3081/FUL (permission granted 26 November 2014)*

6.10 This permission facilitated the construction of a retail unit comprising up to 990 sqm gross (the approved drawings indicate a unit of about 900sqm). No retail impact assessment was provided by the applicant, and no condition was attached to the permission restricting the range of goods to be sold. The unit has been occupied by Tapi Carpets, and could in future be occupied by any class A1 retailer given the absence of any restrictions.

*DC/13/2844/FUL (permission granted 21 November 2013)*

6.11 This permission facilitated the sub-division of B&Q. Unlike the 4 December 2015 permission (see above) it appears that B&Q were still in occupation of the unit at the time. The intent and end result of the application was clear i.e. re-occupation by other retailers.

*DC/13/2698/FUL (permission granted 12 November 2013)*

6.12 This permission facilitated constructed of mezzanine floorspace of 249sqm The named occupier was Pets at Home, however the permission was not restricted in terms of range of goods. We understand the amended (as distinct from the original) consent for the unit similarly did not include any restrictions on the range of goods to be sold. Thus, in future the entire unit, and adjoining unit (ground and mezzanine) could be occupied by any class A1 retailer.

*DC/12/1078/FUL (permission granted 8 November 2012)*

6.13 The permission facilitated the construction of a 'pod' unit within the car park of 139sq.m for class A1 and / or class A3 use. The unit was occupied by Costa Coffee. No condition was attached restricting the use of the unit.

6.14 Numerous other permissions have been granted pre-March 2012 (publication of the NPPF), and more generally many of these have been issued against the general background that two Certificates of Lawfulness were issued by the Council in 2005 to the effect that the retail units at the time had the benefit of open-A1 use. That said, it is worth remembering that a Certificate of Lawfulness only represents the position as a snap-shot in time, and should not necessarily mean that, going forward, any assessment of impact and / or conditions on use of floorspace should not be considered.

6.15 The above is not intended as any sort of judgement as to the appropriateness of the individual planning decisions (such being beyond the scope of this study), but what it does do is highlight a clear pattern in terms of the size (sqm) and nature of applications that, in most instances, have helped to facilitate changes in retailer representation at the retail park, and / or the addition of facilities intended to extend customer dwell-time on site. All of the applications have been below the NPPF 2,500sqm threshold, but that is by no means any guarantee of no impact, possibly significant, on Lowestoft town centre. It merely means that such was not previously assessed, either individually or cumulatively.

***Land at Tower Road***

6.16 The Tower Road site is located approximately 4.5km South of Lowestoft Town Centre, and is an out-of-centre site. In July 2016 planning permission was granted for the demolition of existing factory building and construction of a mixed use scheme to include retail units of a range of sizes as well as a café and flexible restaurant unit (reference DC/15/5066/FUL). The proposed scheme totals to 7,764sqm gross of Class A1/A3 floorspace, across six units of varying sizes:

- Unit 1 – 1,703 sqm of A1 retail floors pace (to be occupied by Aldi);
- Unit 2 – 465 sqm of A1 retail floorspace;
- Unit 3 – 929 sqm of A1 retail floorspace;
- Unit 4 – 4,128 sqm of A1 retail floorspace (650 sqm to be a garden centre and 691 sqm to be a back of house mezzanine) (all to be occupied by The Range);
- Unit 5 – 372 sqm of mixed A1 retail / A3 restaurant floorspace; and
- Unit 6 – 167 sqm of A3 café floorspace (to be occupied by Costa);

6.17 The permission was amended in July 2017 (reference DC/17/2538/VOC) to facilitate some scheme refinements as a result of the anticipated occupiers of individual units, and general market preferences. Unit 5 is now intended to be divided into three smaller units (all below 140sqm), and Unit 2 is according to the application material intended to be occupied by Jollyes Petfood Superstores. Again, it is readily apparent that all of the proposed units (bar one) are well below the NPPF impact threshold. It is acknowledged that the likely retail impact of the scheme was assessed during the consideration of the initial planning application, and subject to the imposition of suitable conditions was found not likely to cause significant harm to Lowestoft town centre. That said, some diversion of trade on the town centre was nevertheless foreseen.

### Summary

6.18 Since March 2012 a number of planning permissions have been granted. Some of these have been assessed in terms of their likely impact, and some have not. Some of the schemes have been implemented since our 2016 Study, and some remain to be implemented (one permission has also lapsed in part). There continue to be changes on the ground, and in the macro-economic environment that will affect consumer spending and habits. And, it seems clear the trend for new and enhanced out-of-centre schemes will continue for the foreseeable future.

# 7 CONCLUSIONS AND RECOMMENDATIONS

7.1 This report has examined whether there is a sound basis for the local planning authority to set a local floorspace impact threshold, rather than utilise the default of 2,500 sqm threshold set out within the NPPF.

7.2 The draft Waveney Local Plan **Policy WLP8.18 – New Town Centre Use Development** states that new developments which exceed 350sqm should demonstrate through an impact assessment that the proposals would not undermine the vitality and vitality of town centres nor significantly impact existing, committed and planned public and private sector investment in town centres.

7.3 In order to consider the appropriateness of this local floorspace threshold we have revisited the health of the main centres, and considered latest relevant data. Overall, we conclude that the proposed threshold is justified and appropriate. Furthermore, we recommend that one single, consistent threshold would be appropriate across the District, for reasons of simplicity and transparency, as well as being supported by the evidence.

# APPENDIX 1: COMITTED RETAIL DEVELOPMENT SCHEDULE OF TOWN CENTRE USES OVER 500 SQM

| Planning Reference | Approval Date | Location | Floorspace (sqm) | Proposal | Subject to impact assessment ? |
|---|---|---|---|---|---|
| DC/17/2538/VOC | 21/07/17 | Land At Tower Road Gisleham Lowestoft Suffolk NR33 7ND | 0 | This is a variation of conditions to remove the mezzanine from Unit 4; the addition of a mezzanine in Unit 2 of 186 sqm; and the sub division of Unit 5 into 3 separate retail units. | No. |
| DC/16/3844/OUT | 15/12/2016 | Denmark Road / Peto Way, Lowestoft, Suffolk | 1,268 | This is an outline application for the construction of a 651 sqm retail warehouse, 279 sqm of A1/A3/A5 floorspace and a 338sqm A3/A5 drive-thru fast food restaurant. | No. |
| DC/15/5066/FUL | 10/08/2016 | Land at Tower Road, Gisleham, Lowestoft, Suffolk | 7,764 | Demolition of existing factory building and construction of a mixed use scheme to include retail units of a range of sizes as well as a café and flexible restaurant unit. | Yes. |
| DC/15/4769/FUL | 20/04/2016 | Lidl food store, Peto Way, Lowestoft, Suffolk | 691 | Extension of existing Lidl supermarket. NB Demolition of existing store and replacement with new larger store with associated car parking | Yes. |
| DC/16/0503/FUL | 01/04/16 | Proposed Unit 6C North Quay Retail Park, Peto Way, Lowestoft | 930 | Provision of 930 square metres of internal floorspace at mezzanine level | No. |
| DC/14/3081/FUL | 26/11/2014 | 24 North Quay Retail Park, Peto Way, Lowestoft, Suffolk | 990 | Construction of an infill unit with new composite cladding panels, roofing and brickwork to match existing adjacent units. | No. |
| DC/14/1803/FUL | 03/08/2014 | Horn Hill, Belvedere Road, Lowestoft, Suffolk | 538 | Introduction of mezzanine level within the retail outlet unit. | No. |
| DC/13/0110/OUT | 27/07/2014 | Denmark Road / Peto Way, Lowestoft, Suffolk | 3,856 | 3,856 square metre gross internal floorspace retail warehouse. | Yes. |
| DC/12/0216/VOC | 21/05/2012 | Former Focus DIY, Tower Road | 747 | Variation of Condition no. 3 of W9844/4 to allow a discount retail store. | Yes. |