



Campaign to Protect
Rural England
NORFOLK

PPS 4 IMPACT ASSESSMENT: THE INTENT, INTERPRETATION AND THE APPLICATION TO PPS 4 POLICIES

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INTRODUCTION

OVERVIEW OF PPS 4 AND THE SUPPORTING DOCUMENTS

PPS 4 Planning for Sustainable Economic Growth was published on the 29th December 2009. It replaced PPGs 4 and 5, dealing with specific aspects of development, and more importantly PPS 6 (Planning for Town Centres) and the economic growth policies within PPS 7 (Sustainable Development in Rural Areas). The aim in doing so was to update and streamline policies, promote economic growth, and take account of difficulties induced by the recession. This is clearly reflected in thrust of the documents; look actively for economic growth, but at the same time seek to avoid loss of existing businesses and jobs.

The principal change brought about by PPS 4 is the introduction of a more structured and wider test on Impact Assessment, upon which the Government set great emphasis. This set out five considerations applicable to **all** types of economic development. There are an additional six specific considerations for retail and town centres, which remain unique in the planning process in dealing with a complex 'science' which relies heavily on the use of specialist retail consultants.

For this reason, and because of some significant changes are brought about by impact tests, we concentrate on these. Behind this is the concern that the relevance and application of the impact tests are being 'lost' in the determination of a long running and controversial planning application by Tesco in Sheringham, Norfolk (see Case History). Some of the tests will not be welcomed by large multiples, and it is important that precedents are not set in determining planning applications which erode the intention and application of Impact Assessment.

STRUCTURE OF PPS 4 AND SUPPORTING DOCUMENTS

PPS 4 Planning for Sustainable Growth is divided into 'plan making' and 'development management' (development control) policies. The increased emphasis on 'plan making' reflects the desire of Government for the planning process to embrace and be proactive in the production of Regional Spatial Strategies and Local Development Frameworks. This is a streamlined document, covering all types and aspects of economic growth policies in 37 pages.

Policies EC2 to EC8 are for plan making; and policies EC10 to EC 19 are for development management. Policy EC1 is about 'using evidence positively', and EC19 deals with monitoring. The two supporting documents are:

- **Impact Assessment (56 pages), which covers all types of development and includes also a parallel commentary on main town centre development**
- **Planning for Town Centres. Practice Guidance on Need, Impact and the Sequential Approach (104 pages)**

The Guidance reflects the specialism, language and complexity of plan making and determination of planning applications for retail purposes. The case histories are exclusively based on large urban centres as regards identifying needs, developing town centre strategies, the sequential test, and assessing impact. The centres include Basingstoke, Exeter, Bristol, Leicester, Liverpool, Crawley, Huddersfield, Halesowen, Cambridge, Beverley and Kidlington; at a wider level the review of Black Country Strategic Centres (Dudley, Walsall, West Bromwich and Wolverhampton) and a gap analysis for the London metropolitan centres.

There is one case history, not up to date, in the impact section which is not about a large urban centre. This is the 1998 DETR report on 'The impact of foodstores on market towns/district centres'. **Crucially there is no direct guidance on how to critically assess the retail assessment supporting a planning application.** The Sheringham Norfolk case history we include is a contribution to close the gap. Looking at the Guidance overall, it is not surprising to see that CLG expresses gratitude for 'the contributions that leading practitioners and key stakeholders have made to inform the preparation of this guide, particularly the sounding board'.

The body of the Guidance is in Parts 1-8, with Part 7 Assessing Impact. There are four appendices, including Appendix D Quantifying retail impact. The latter is essentially about the process steps involved. In practice, impact considerations are not quantitative in the sense of giving a 'score' which directly translates to a decision in plan making and certainly not in determining a planning application. This relies on a heavy dose of judgement and experience being applied; and taking account of local circumstances.

We draw first from the Impact Assessment document, then the Guidance Practice, dealing with those aspects most relevant to the use of impact tests in the determination of planning applications. Where we quote verbatim from the documents we use italics script.

Appendices 1 and 2 reflect the intent of the Government in making impact tests the key new feature of PPS 4. There is a clear aim that independent shops survive the recession and beyond. The tests are there to be used, and it is in the hands of Councillors to make full use of them in local decision making, in light of their local circumstances.

While most of the criteria were previously a consideration, they have been brought together in a structured framework in the PPS 4 policy framework. Two of the criteria did not have the same status previously as the rest, and as such are elevated into the impact test framework. These are 'the impact on economic and physical regeneration in the area'; and 'the impact on local employment'. The latter is particularly important to the longstanding CPRE campaign on the importance of the 'food web' in the local rural economy. The web of retailers, their suppliers, the food processors, and the trades which support them, all are vital not just in terms of job numbers, but the local skills and experience they encompass.

For convenience in Appendix 3 we show the key PPS 4 policies relating to the impact tests. In Appendix 4 we outline the wider changes that PPS 4 brings to development in rural areas. It needs to be emphasized that PPS 4 is NOT a cosmetic re-write of PPS 6, but has some significant changes; and the content is much wider than retail, leisure and town centres.

PPS 4 IMPACT ASSESSMENT DOCUMENT

THE EFFECTS OF THE RECESSION

The effects of the recession and the Government reaction to it through PPS 4 are illustrated by quoting the relevant paragraphs in the Impact Assessment, see our Appendix 1. We extract the key points for the retail sector as follows:

1. Falls in consumer confidence, rising unemployment, and reduced consumer confidence have also affected retail sales where growth has been reduced.
2. Current market conditions pose particular problems to small shops and independent retailers. Recent years have also seen significant closures of small shops and independent retailers, as noted in both the Competition Commission working paper report on small shops, and the analysis undertaken by the Parliamentary All Party Small Shops Group. This decline in numbers is likely to be exacerbated by current economic conditions.
3. We note in this context that the new Economics Foundation's Clone Town Britain, for example, flags the dangers of a failure to achieve a balance between multiple retailers and independent retailers, and the consequences that this can have for vitality and viability.
4. It is vitally important that any planned investment confidence in both small and large proposals, particularly in medium-sized and smaller centres, continues into the future and is not undermined by any weakening of the Government's town centre planning policy.
5. The new impact test will allow local authorities to make a rigorous assessment of the impacts of any proposals not in accordance with the development plan, in out of centre locations.
6. If there is a significant adverse impact with respect to any of the key impact considerations the proposal can be refused by the local authority. In addition the policy maintains the requirement to look for the most central sites (the sequential approach).
7. Retaining or improving retail diversity and consumer choice and protecting town centre vitality and viability may also be more challenging in the short term. The inclusion of retail diversity and consumer choice as a consideration in the impact test should encourage development which supports a good retail mix.
8. The impact test will also require local authorities to consider the effects of a new development upon existing town centre trade and turnover. This enables local authorities to make decisions appropriate to **their local circumstances** when considering development proposals.

Apart from the effects of the recession, the Impact Assessment documents notes other wider changes in retailing, at paragraphs 45-47:

45. The consultation draft of PPS4 took forward, and amended, the proposed changes to town centre policy proposed in the PPS6 consultation draft of July 2008. The Government remains firmly committed to the town centre first policy. In terms of safeguarding the vitality and viability

of town centres, the Government's town centre policy faces a number of future challenges, including changing consumer and retailer behaviours arising from a number of wider economic changes such as:

- *higher levels of car ownership*
- *competition from internet retailers*
- *technological development and global markets leading to increased choice in terms of products and services and*
- *consumer behavioural change such as combined leisure/shopping trips, one-stop and top up convenience shopping*

46. These factors, amongst others, have in recent years provided both opportunities and risks to retailers. The top retailers and larger format grocers have become increasingly dominant in the market, and shopping centres have benefited from being able to allow consumers to combine retail and leisure experiences into single trips.

47. The current economic situation needs to be taken into account when considering changes to town centre policy. Further analysis of the impact of economic conditions on current and future trends in retail development and the implications for town centre policy is discussed in Annex A.

POLICY CHANGES IN RESPECT TO PLANNING FOR TOWN CENTRES

The Impact document sets out the main changes in replacing PPS 6 and the accommodation within PPS 4. In essence these were to remove the needs test (a measure to estimate 'capacity' and whether there was unsatisfied 'need') and to introduce a more comprehensive and structured Impact Assessment.

The sequential test is relatively simple and the principles remain as in PPS 6. There was a strengthening of the impact assessment; a 'significant adverse impact' for any **one** of the impact tests is a 'show stopper', or more than one adverse impact could also result in a refusal.

The changes are described in more detail in paragraphs 60-64, reproduced below in whole.

60. PPS4 maintains the town centre first approach through the requirement for applicants to look for the most central sites first (the sequential approach). Applicants will continue to have to demonstrate that there are no more central sites which can accommodate their proposed development. Similarly, the impact test will continue to be applied to retail and leisure development or proposals for other main town centre uses over 2,500 square metres (in an edge-of-centre or out-of-centre location, which are not in accordance with an up-to-date development plan) unless authorities set specific thresholds in their plans. Ahead of any local threshold being set, it could also be applied to smaller developments which are likely to have a significant impact on smaller town centres, depending on the relative size and nature of the development in relation to the centre.

61. *The key change to town centre policy remains the replacement of the current need and impact tests with an improved impact test which, supported by good practice guidance, will continue the strong focus on the town centre first policy.*

62. *The scope of the new impact test is wide ranging, bringing together the range of impacts which need to be considered, including:*

- *the full range of economic, social and environmental (including town centre) impacts*
- *taking more account of consumer choice and retail diversity and*
- *the need to assess impacts arising from the scale of a proposal as well as transport and accessibility considerations*

63. *The new test identifies two categories of key impacts that retail, leisure and office development must be assessed against in light of local circumstances:*

- *general impact measures that all applications must be considered against; and*
- *specific town centre impacts that unplanned, out of centre development must be tested against.*

64. *The changes will provide a more effective policy framework by:*

- *removing the need test and replacing it with a more transparent framework which clearly sets out the considerations which local planning authorities and regional planning bodies must take into account in respect to plan-making and assessing planning proposals for new development, particularly if they are not in accordance with an up to date development plan and on sites outside town centres and*
- *being clear that local planning authorities should refuse planning applications that cannot demonstrate that there are no sequentially preferable sites, or which would have a significant adverse impact on any one of the key impact considerations*

SMALL FIRMS IMPACT TEST

The small firms impact test amplifies and reinforces the town centre statements above. We quote verbatim again points drawn this section, and follow with statements on competition assessment and rural proofing. With regard to small firms, the difficulties they face in the recession are again highlighted:

118. *As discussed in Annex A, small shops and independent retailers are experiencing difficult trading conditions caused by the economic downturn. Many of the respondents to the PPS6 consultation document stressed the need for a stronger policy approach to small shops, independent retailers and small business.*

120. *The revised policy framework will continue to allow local authorities to consider town centre viability and vitality when assessing the impact of development, including the effects on small shops and independent retailers. When considering proposals which are not in accordance with an up-to-date plan on sites outside town centres, local authorities will continue to be required to assess a range of impacts, particularly the impact upon existing and committed investment in a centre, the impact on current in-centre trade and turnover, and the promotion of town centre vitality and viability including consumer choice and the range and quality of the retail offer. Where there is clear evidence that a proposal is likely to have a significant adverse impact on a town centre related to one or more of the key impact considerations, for example in respect to existing small shops and independent retailers, this will justify the refusal of planning permission.*

121. *The impact test would, like the existing test, apply only to development where a planning application is needed and then only if the development is not in accordance with an up to date development plan and is on a site outside a town centre. Comprehensive assessments will only generally be needed if a scheme is over 2,500 square metres, although they can be required for developments of less than 2,500 square metres which are likely to have a significant impact on smaller town centres¹⁵. As smaller firms may be better able to find suitable sites in town centres, they are less likely to be affected by the need to undertake an impact assessment.*

COMPETITION ASSESSMENT

We quote again from the Impact Assessment document:

124. *The removal of the current need test will remove identified barriers and, in principle, facilitate a greater likelihood of entry by operators who may not otherwise have been able to enter a local market where identified local need is taken up by existing incumbents and/or unimplemented planning permissions. In addition, the strengthened approach to plan making requires local authorities and regions to consider the promotion of choice and competition when developing policies. Additionally at the development control stage, the new impact test will promote competition by enabling a more thorough assessment of the impact of development upon consumer choice and retail diversity. Where development is permitted, this would be likely to increase competition, resulting in greater consumer choice, and potentially reducing prices. However, local authorities would also be able to turn down development where it would have a significant adverse effect on a struggling town centre, particularly where the town centre would be adversely affected by loss of trade or turnover, or where there are other significant negative impacts related to other key impact considerations.*

RURAL PROOFING

We quote again from the Impact Assessment document:

140. The policy applies to villages, market towns and local centre shops, requiring authorities to protect and strengthen existing shops and services where any deficiencies are identified and to ensure their importance to the local community is taken into account when considering any development proposal that would result in their loss. In so far as local authorities will need to consider the impacts of development on the local economy this may lead to local positive benefits, for example, for farmers and local suppliers. In preparing these policy revisions, the Government has had regard to the findings of the Matthew Taylor Review of the Rural Economy and Affordable Housing.

A HOLISTIC FRAMEWORK FOR IMPACT ASSESSMENT

The various considerations for impact assessment are set out in Annex B. Most were present in some form or other as a material planning consideration under PPS 6, but two were 'promoted' into the impact test. These were the impact on economic and physical regeneration in the area including the impact on deprived areas and social inclusion; and the impact on local employment. Again we quote verbatim from the Impact document, paragraphs 96-103:

96. The impacts of a more holistic assessment are considered under three headings:

- effect on future levels of development
- promoting greater choice for consumers and
- encouraging sustainable development

Effect on future levels of development

97. In the short term, it is likely that the overall amount of new development in town centres will remain limited as investor confidence continues to be affected by the current economic climate and reduced access to credit.

98. However, as confidence returns to the retail market over the medium term, we expect the amount of development going into town and edge of centre locations to increase. Local authorities should look forward and plan proactively for the expansion of their centres and allocate sufficient sites for future needs, while rigorously testing the impact of unplanned proposals. The increased transparency of the policy framework used by local authorities in making decisions about development outside town centre locations which is not in accordance with the development plan will provide certainty for town centre investment, particularly when supported by practice guidance and the continued requirement for developers to look for the most central sites (the sequential approach).

99. The more holistic impact test will be used to rigorously test unplanned proposals. It is reasonable to expect that the absence of the need test could lead to development proposals coming forward which would not have been promoted previously. It will be for investors to establish whether they think a development is needed or not but a proposal (in an edge-of-centre or out-of-centre location, and which is not in accordance with an up-to-date development plan) will be subjected to a rigorous examination of its positive and negative impacts. Where

previously a development proposal might have been refused on the basis of need alone, local authorities will now have to consider the specific location and impacts of such proposals.

100. The removal of the need test could also lead to some additional unplanned proposals coming forward in edge-of-centre locations where town centre capacity is limited. The sequential approach and strengthened impact test will ensure that development that could be more centrally located or which could have a significant adverse impact in respect to one or more of the key impact considerations does not go ahead.

Promoting greater choice for consumers

101. The policy emphasises the need for local authorities to consider consumer choice in respect to both plan making and determining planning applications. In terms of plan making, the policy requires local authorities to plan for a range of shopping, leisure, tourism and cultural services in terms of the range of goods and stores that are available to consumers, and identify sites for varying uses and store types, having regard to consumer choice and promoting competition.

102. In respect to planning applications, as part of the impact test, local authorities will be required to consider the impact of proposals on consumer choice. This highlights the importance of providing for consumer choice in town centre development schemes and seeking to prevent proposals that would harm consumer choice. Whilst current market conditions are leading to a marked slowdown overall in development proposals in the short term, the policy will help to safeguard town centre viability and vitality and promote improved consumer choice as market conditions improve.

Encouraging sustainable development

103. The policies support sustainable development and creating better places by requiring local authorities to consider as part of the impact test:

- the design quality of development proposals – the strengthened test explains that proposals may be refused on the grounds of failing to secure a high quality and inclusive design*
- whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions and minimize vulnerability and provide resilience in respect to climate change*
- the accessibility of proposals by a choice of modes of transport including walking, cycling, public transport and the car*
- the impact on economic and physical regeneration in the area including the impact on deprived areas and social inclusion objectives and the impact on local employment*

CONCLUSIONS ON THE IMPACT ASSESSMENT DOCUMENT

It is clear from the Impact Assessment document, and the press release of the CLG Minister John Healey on the 29th December, that the improved impact assessment is the important policy feature of PPS 4. The press release, entitled '*Protecting small shops and boosting town centres*', is shown in full at Appendix 2.

PPS 4 in dealing with the wider policy front for all types of economic growth has an emphasis on LPAs having a positive approach both in plan-making and in the determination of planning applications. There is a twin track approach of both seeking to generate new jobs, while seeking to give a greater degree of protection to existing jobs and small businesses, not least in rural areas. The message to Councils is clear, particularly as regards small shops. You have now the tools to protect existing businesses, and it is up to you to use them.

We can however expect a considerable effort from one or more of the major supermarket multiples to try and blunt the tools from the start by playing down the rigorous use of the impact tests, and taking the line that little has changed in moving from PPS 6 to PPS 4 as regards plan-making and planning applications. There might also be the risk of legal challenges which Councils can ill-afford the risk of losing, even more so in a period of recession.

There is however a pressing need for the robust application of the impact tests; it is a case of 'use it or lose it'. It is crucial to remind LPAs, and most definitely retail experts, that five of the Impact Tests are general to all economic development. These are not repeated in the six impacts tests that are applied to retail and town centres. They do however have to be applied, and should not be 'lost' or glossed over.

We set out the key policies in Appendix 3. In impact policy terms this means EC 10 as well as EC 16, with the 'score sheet' from both being drawn together by EC 17. For each test, the positive and negative aspects of an impact need to be gauged, which requires judgement as well as any factual information - and make sure you critically examine what the retail assessment of the applicant or retail expert sets out as facts. They may in parts be misleading or plain wrong.

A statement that an application is 'compliant' with an impact test is not a substitute for a considered examination of how a planning application fares on the test.

There are two definitions of sales floorspace in use; the National Retail Planning Forum and the Competition Commission (see next section). Most but not all supermarkets use the latter definition, which excludes the public ancillary space such as checkouts and the space in front of them, toilets, etc. It is vital to be clear on which is being used when calculating the estimated turnover from a proposal (sales floor space x sales density), and hence in turn the diversion of sales from existing shops.

When assessing two supermarket applications to be determined at the same time, check that a common definition is being used, and if applying a company average sales density figure, that this is the right figure for the definition. The potential pitfalls are illustrated by the Case History,

PLANNING FOR TOWN CENTRES. PRACTICE GUIDANCE ON NEED, IMPACT AND THE SEQUENTIAL APPROACH

BACKGROUND AND CONTENT

The document is in eight parts. These are:

- Introduction
- Using evidence for positive planning
- Identifying needs
- Developing town centre strategies
- Supporting evidence in development management
- Sequential site assessments
- Assessing impact
- The effective use of conditions

There are also four appendices: glossary of terms, quantifying retail need, assessing the scope for other town centre uses, and quantifying retail impact.

The document is written by retail experts and to be applied by retail experts and LPAs at the region and local level; and secondarily in development management (control), where retail experts may again play a prominent role. It is heavily major urban orientated, as illustrated by the case histories and discussion. The emphasis is very much on plan making.

The Guide makes no direct links with the Impact Assessment document at all. Indeed on the impact tests which apply to ALL development there is only one brief reference to this in the main body and one in appendix D. All the focus is on the impact tests specific to main town centre uses. The reader may well get the impression that these are all there is to consider. It is vital therefore in commenting on a supermarket application that the Impact Guidance is read and assimilated, and the five general impact tests are brought into the equation as part of the holistic impact consideration.

As the reference in the Guidance to the general impact tests (Policy EC10) might easily be missed, we refer to it at paragraphs (5.10. 5.11) in Part 5: Supporting evidence in development management. This is a half page (32) in the 104 page document. It also mentions policy for the first time Policy EC16, which deals with the six specific retail impact tests. We reproduce paragraphs 5.8 to 5.11 below for ease of reference.

5.8 In the circumstances described in Policy EC14 where an impact assessment is required, the key policy test is set out in Policy EC16. Practical guidance on preparing and reviewing impact assessments to address these 'town centre' impacts is set out in Section 7.

5.9 Policy EC17 sets out the Government's policy position on how planning applications for town centre uses which are not in an existing centre which are not in accordance with an up to date development plan should be determined having regard to the results of these assessments.

*5.10 Under Policy EC17, it will be expected that the LPA will refuse planning permission where there is clear evidence of a significant adverse impact against one of the impacts identified in **EC10.1** or EC16.1. In assessing whether an impact is significant, it should be remembered that any new development involving town centre uses will lead to an impact on existing facilities, and as new development takes place in one town centre this will enhance its competitive position relative to other centres. This is a consequence of providing for efficient modern retailing and other key town centre uses, and promoting choice, competition and innovation.*

*5.11 Where the evidence shows there is no significant adverse impact it will be necessary to balance the positive and negative effects of proposals against the criteria and policies **EC10** and EC16, together with any other local considerations and other wider material considerations in reaching an overall planning judgement. In such cases it may be appropriate to devise a matrix as a means of evaluating different impacts against national and local policy objectives and priorities. Further guidance on the preparation of impact assessments is set out in Section 7.*

Having made the point on a holistic approach to impact assessment, we can move on to consider what the Practice Guidance has to say in the context of town centre and retail impact tests in Section 7 and the appendix D.

PRACTICE GUIDANCE. PART 7 ASSESSING IMPACT

Background

The 'key' principles for main town centres are embodied at paragraphs 7.1, 7.2 and 7.3 of the Guidance, reproduced below:

7.1 Proposals which are in accordance with an up to date development plan strategy will not require an impact assessment, as it is expected that this will have been undertaken at the policy formulation stage. In all other cases, an assessment will be required to identify the key impacts identified in EC16 focusing in particular on the first five years after the implementation of a proposal.

7.2 National policy requires impact to be applied in respect to all main town centre uses. The new impact test is particularly relevant to retail and leisure/entertainment proposals. Other main town centre uses (including offices and arts, culture and tourism) will require impact testing, but the scope and level of detail required will vary according to the local circumstances. Applicants and local planning authorities should seek to agree the scope and level of detail of impact assessments in advance of applications being submitted.

*7.3 The objective of an impact assessment is to measure and where possible quantify the impacts of proposals or policy options. This can be used to gauge their potential impact on the development plan strategy, their effects on planned new investment and their overall consequences on the vitality and viability of existing centres such as reduction in footfall, impact of vacancies etc. This section explains how to measure the different impacts. **It will be for the decision maker to determine what constitutes an 'acceptable', 'adverse' or 'significant adverse' impact, based upon the circumstances of each case, having regard to national and local policy objectives.** (our emphasis).*

While it is reasonable to focus on the EC16 town centre impact tests, and these are very important tests, they have to be taken in conjunction with the general tests. Apart from no cross reference to the Impact Assessment document, there is no reference or encouragement to the retail expert (or LPAs) on guidance for the general tests. The Guidance is not a complete handbook in that sense.

This is not helped by the use in paragraph 7.1 of the word '**key**', in what is the only point of a 'bold' emphasis in the whole document, and the linking of this to EC16. This is ambiguous. It could imply that they are the key considerations for specific tests related to development for main town centre uses; or the general tests are subsidiary and of lesser importance.

Having stressed that the general impact tests should not be 'lost', we highlight some important topics discussed in Section 7 in the Practice Guidance.

Effects on Vitality and Viability

In that the guidance has only one case history on market towns (1998 DETR report) we draw out the importance of taking account of the character of historic towns and centres, see paragraph 7.22:

*7.22 Taken as a whole, consideration of the effects on the development plan, committed and planned investment and impacts on the town centre turnover provide a good indication of the overall effects of a proposal on the vitality and viability of town centres. It will also be appropriate to consider the implications of a proposal on retail diversity, particularly the range, type and quality of goods available. **This will be especially relevant in historic market towns, or centres which have developed a distinct and unique character which contributes to their vitality and viability. This needs to be factored in when reaching an overall judgement on town centre impacts.** (our emphasis).*

The summary box at paragraph 7.25 on judging the effects of a proposal on the vitality and viability provides useful advice:

How to: judge the effects of a proposal on the vitality and viability of a centre

It is evident that the various 'key' impacts are interrelated. Judging their significance requires a proper understanding of the vitality and viability of the centre how it is changing over time, and its vulnerability.

Any adverse impact on planned investment is likely to be of particular significance, particularly if it forms part of the development plan strategy. Significant levels of trade diversion from the centre, or key sectors, can seriously undermine its vitality and viability resulting in reduced footfall, increased vacancies, a more 'down market' offer etc.

Some centres may be particularly vulnerable. In others, such as important historic centres, or centres which rely on a particular diversity and special character, it may be appropriate to take a cautious approach to potential adverse impacts.

Impacts may not be widespread, or necessarily significant in quantitative terms. Loss of a key town centre use, or loss of demand from a prospective operator needed to reinforce the existing offer may be highly significant in some centres.

The weight attached to the key impacts will vary in every case, and may be considered by LPAs as part of the LDF process.

Impact on turnover/trade

We quote and then comment on paragraph 7.28.

7.28 It is inevitable that new retail or leisure development will have some impact on the turnover of existing facilities within the catchment area. The approach outlined in Appendix D sets out a framework for taking judgements about the likely extent of trade diversion. These will be informed by experience drawn from case studies, having regard to the nature of the proposals.

The turnover of a new development and the diversion of sales from existing shops is absolutely crucial as regards the impact on small shops. This is particularly so for convenience goods, as in a saturated market all turnover will come from existing shops. Relatively small diversions can take small shops into a loss of viability and closure. If these are lost, then much else follows. The Impact Assessment takes this issue very seriously and gives it a high profile, which is noticeable by its absence in the Practice Guidance, although it is a main town centre issue (and wider).

Appendix D has some worthwhile points, but the framework it provides deals with the steps in the process, and does say much on 'quantifying'. There are genuine difficulties in making estimates for the effect on small shops, and margins of error are both critical and large.

As is pointed out, judgements have to be made. It also looks to the value of case histories, but the Guidance contains no case histories either reflecting market towns that have been devastated by an overly large supermarket(s), which should not be difficult, or ones which have a good retail mix, which are getting difficult to find.

The above points should be borne in mind in reading the summary box at 7.28:

How to: assess impact on turnover/trade

The starting point for the assessment is a realistic assessment of current consumer spending and shopping patterns, based on modelling supported by survey evidence. Against this 'baseline' position, it will be necessary to assess likely changes at the 'design year' arising from ongoing trends, other 'committed' developments, and the effects of the proposals.

This task inevitably involves subjective judgements about the likely turnover, and trading pattern of the development, and the centres most likely to be affected. If there are details about the type of development proposed and its market position etc. this may assist in such judgements, but unless the proposal is to be conditioned accordingly, it may be necessary to test the sensitivity of different forms of development.

Having established the likely catchment area, market position and turnover potential of the proposal, the key factors affecting judgements about where it will draw its trade from will be determined by:

- The intended market sector/role, on the basis that 'like affects like'; so the centres currently serving the intended catchment population will experience the greatest impact; and*
- Distance, on the basis that consumers will generally use the nearest centre/facility which meets their needs in terms of quality/convenience etc.*

All assessment of trade diversion rely on judgement, having regard to these factors. However, they should clearly explain the basis of the judgements reached, and enable these to be tested.

On sensitivity testing, we suggest this should be applied to the small shop sector to assess how they might fare following the arrival of a much bigger neighbour. This is particularly true while in recession, which is a strong theme in the Impact Assessment document. On our experience we advise the identification and careful scrutiny of all assumptions in estimates of sales diversions from existing shops. Also the definitions and methodology used, see below as in connection with Annex A of the Guidance. As well as the 'on the ground experience', these come into play in making a judgement.

A tendency to over-generalisation in the Guidance is illustrated by paragraph 7.29:

From 7.29...it will be necessary to balance the desirability of maintaining and enhancing the turnover of existing facilities with the benefits of improved consumer choice, competition and access to new facilities. In this respect, there are no meaningful benchmarks of what constitutes an 'acceptable' level of trade diversion resulting from such proposals. The relevant factors will depend on the circumstances of each case.

In historic market towns it is not just the issue of a loss of money to a particular shop, or sector. In the case of small shops in a historic market town it is an issue as to whether the shops can survive, and what happens if they go. There is loss of choice and retail diversity; there is loss of character and local distinctiveness, which apart from the intrinsic value, will entail loss of income through loss of other jobs in rural areas and tourism.

The final sentence of paragraph 7.32 is also at odds with the intent and advice of the Impact Assessment document.

7.32 Where a centre is experiencing falling rents, high levels of vacancy and declining footfall, even modest levels of trade diversion can have significant adverse impacts. Where centres are vital and viable, and existing retailers/leisure operators are achieving high levels of turnover, they may be able to withstand high levels of trade diversion resulting from a proposal, although this does not mean in itself mean that such impacts are acceptable. In most cases, unless there is clear evidence of a significant impact on turnover likely to undermine the vitality and viability of the centre, the negative effect of trade diversion needs to be balanced against any positive town centre or wider impacts as part of reaching an overall judgement.

In the Impact Assessment for small shops the onus is on the applicant to establish there will not be adverse impact on the small shops sector, in particular a significant adverse impact, which entails an automatic refusal for the application. This is very much the intent expressed in the new and improved Impact Assessment which enhances the protection of small shops, hailed by the Minister with the introduction of PPS 4.

An appropriate scale for in centre/edge of centre proposals.

The judgement on scale is made with regards to the town centre concerned, and its relationship with other town centres and their respective roles in the hierarchy.

7.33 This will involve considering whether a proposal is consistent with the role and function of the town centre and its catchment, as specified in the network or hierarchy set out in the relevant RSS\LDF. The consistency or otherwise of the scale of any proposal with similar facilities at other centres at a similar level in the retail hierarchy, and the scale of the proposal itself relative to similar retail developments in those centres are also relevant considerations.

7.36 It will also be necessary to consider other issues related to scale, such as the accessibility of the proposal to its intended catchment, its effect on overall travel patterns, and consistency with the network and hierarchy and overall planning strategy for an area.

PRACTICE GUIDANCE APPENDIX A: GLOSSARY OF TERMS.

PPS 4 is emphatic on 'gross space' in considering 'appropriate scale'. However two definitions for 'gross space' are in use. The 'Gross ground floor footprint floorspace' would not for example include the area of any mezzanine floor, should there be one. The 'Gross retail floorspace' is the total built floor area. While the context makes it clear that 'gross space' in Policy EC16e is the second of the two, be wary that the first could be used with no textual reference to a mezzanine floor. It may be necessary to look carefully at plan drawings in the Design and Access Statement, and establish clearly what the Design document says about total built space.

It is of paramount importance to establish for any planning application what definition is used when figures for retail sales floorspace are given. This is particularly true if two applications are being determined side by side which are using different definitions for 'net retail sales area'. If different and taken at face value then it may be that on a comparative basis the store that appears to be bigger in fact may be smaller, and vice versa. Likewise there is a potential to distort the estimates on sales diversion from existing stores of a single proposal. Any proposal should also be compared on a like-for-like basis against any threshold space figures in an LDF.

We quote in full what the Appendix has to say on the gross and retail sales definitions:

Gross ground floor footprint floorspace *The area shown on the Ordnance survey map or other plans as being occupied by buildings and covered areas measured externally.* **Gross retail floorspace** *The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.*

Net retail sales area

A new set of definitions for retail planning has been prepared by the National Retail Planning Forum (NRPF). The definition for all retail shops and stores other than Foodstores was widely supported during initial consultations by the NRPF, and is as follows:

The area within the walls of the shop or store to which the public has access or from which sales are made, including display areas, fitting rooms, checkouts, the area in front of checkouts, serving counters and the area behind used by serving staff, areas occupied by retail concessionaires, customer services areas, and internal lobbies in which goods are displayed; but not including cafes and customer toilets.

For foodstores, an alternative definition of 'net retail sales area' has been put forward by the Competition Commission, and is supported by the majority of major foodstore operators. This is as follows:

The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.

The NRPF's definition could be applied to all shops and stores including foodstores, but differs from the way in which the majority of major foodstore operators currently publish details of their store sizes. The Competition Commission's alternative definition is believed to reflect the latter more accurately.

For retail planning purposes, the main consideration is to ensure that comparisons of floorspace and published sales densities are on a like for like basis (our emphasis).

Net to gross ratio

The ratio of net retail sales area to gross retail floorspace in a stated retail location.

Retail sales density

Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.

Note that the sales density for convenience foods is higher than that of comparison goods, and in estimating the turnover of a store separate calculations are required for each. That for convenience products is used in estimating diversions of sales from existing food stores and specialist small shops. The convenience goods market is saturated and (unless major population growth) the turnover from a new supermarket will be derived exclusively from existing shops.

Although there is a lower level of sales value for comparison goods for a given sales area, this area has more growth potential and higher profit margins, and is the area that supermarkets look to expand. The definitions of convenience and comparison goods are given in the appendix:

Convenience goods expenditure

Expenditure (including VAT as applicable) on goods in COICOP categories: Food and nonalcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.

Comparison goods expenditure

Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous

accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.

Finally in Appendix A, on 'Retail Employment' we quote again:

Retail employment

*The number of full time equivalent jobs within a store, shopping centre or other retail facility, based on a stated ratio of full-time to part-time jobs. Consideration should be given to the net effects of proposals on **overall** employment, having regard to possible displacement of jobs arising as a consequence of their impact.*

Note that instead of just quoting the 'new' jobs brought by a proposal, consideration should be given to the net effects on overall employment. We consider that, in the context of the Impact Assessment document, this must include jobs in the local economy which are linked to local retailers, as well as the balance of jobs gained and lost in retailing; and the quality of these jobs.

APPENDIX D. QUANTIFYING IMPACT

Appendix B: Quantifying need, and Appendix C Assessing the scope for other town centres uses, are derived from the classic business model studies that would examine opportunities for new development in an area, and now used as a part of the plan-making process for RRSs and LDFs. So is Appendix D: Quantifying Impact, but is of particular interest in context of development management (control).

Whilst developed as a business model for estimating the turnover that would be derived from a proposal, it can also be used in looking at the model from the other end, in that it can be used as a guide to examining the levels and effect of diversions of sales from existing shops and hence the degree of impact on them. However the impact on small shops is liable to large margins of error, to which this sector is sensitive and vulnerable.

The assessment of turnover and 'trade draw' has therefore some significant limitations and 'health warnings' which bring into play the need for a considerable amount of judgement and experience to also be brought to bear. On turnover assumptions we have several points:

D.7 First, it is relevant to consider the effect of known commitments, and to consider the cumulative impact of the proposals in question. Conventionally, cumulative impact assessments take into account the effect of known commitments i.e. schemes with planning permission. However, it may be relevant, in policy terms, to judge the cumulative effect of other proposals,

particularly where there is a choice between two competing proposals and the combined impact of both needs to be considered.

D.11 Where there are firm proposals for the development of an allocated site in a development plan document, or in the case of site-specific proposals which are backed by a known operator, the anticipated turnover and characteristics of the proposed development can be estimated by reference to comparable schemes, and/or the operator's benchmark turnover (having regard to local circumstances).

D.13 It will also be relevant to consider evidence of retailer demand to give a better indication of the potential turnover of the proposal. The turnover assumptions should reflect the range of potential operators likely to be permitted having regard to any envisaged planning conditions proposed. In particular, new foodstores and retail warehouse type developments may attract a range of potential operators, and the impact assessment needs to consider the full range of turnovers and implications of alternative operators, for example on the prospect of closure of facilities within existing centres.

D.14 The use of published evidence of average turnover levels derived from company accounts can provide a basis upon which to gauge possible turnover of a development. This should take account of the anticipated size of the proposed store and that turnover/floorspace ratios will vary depending on the size of store. Any assumptions that new development will only achieve a potential retailers' respective company average should be treated with caution. Experience suggests that operators will seek to improve their turnover over time by the development of new, more efficient stores, in which case sensitivity testing may be necessary.

D.15 Similarly, a retailer may be content with accepting a lower turnover level for a new store than their company average in order to gain representation in an area. It is therefore recommended that sensitivity testing a high and low level of turnover is carried out and that the implications of this be examined where the predicted levels of impact suggest such testing is necessary.

On considering the consequences of impact on existing centres and facilities we have:

D.31 The final and most important step in the impact assessment stage is to examine the consequences of a development proposal or a site allocation or policy option in a development plan document, in terms of the impact on existing centres and facilities.

D.32 The approach to weighing the significance of different impacts is described in the main guide. This highlights the importance of the development plan and, where this is not up to date, the impacts in Policies EC10 and EC16. This appendix only considers the practical considerations which may be relevant when seeking to quantify impacts.

D.33 A key factor likely to influence the significance of indicated levels of impact is the current performance of existing centres (based on an up to date health check), and the extent to which any strategy or planned investment in a centre could potentially be prejudiced by the levels of

impact predicted. It may be appropriate to take a different approach to proposals likely to lead to a modest impact on a centre which is currently performing strongly, compared with a vulnerable centre, or a centre where the strategy is to attract new development or which may be located in a deprived area. In some cases, factors such as the effect on retailer/investor confidence may have a key bearing on the acceptability or otherwise of the proposals.

It is noteworthy in that Policy EC10 is mentioned by Appendix D, only the second in the Guide:

D.38 In all cases however it is important that the impacts are considered on the vitality and viability of the whole of a centre or centres, not simply on individual facilities which may be similar to the proposed development. In each case, it is important that impact assessments are accompanied by an assessment of the current performance and health of existing centres and facilities within the catchment (based on the health check indicators), and an assessment of the proposal against the objectives of any town centre or related strategies.

D.39 The significance of any impacts will be a matter of informed judgement and depend on the individual circumstance of the locality and type of centre or facility. There is no universal threshold which could be applied to indicate whether an impact on trade/turnover is likely to be significant, but the guidance suggests how different impact considerations may be scored, and weighted to reflect the significance of each.

CONCLUSIONS ON THE PRACTICE GUIDANCE

The document overall reads somewhat as a bible for plan-making and development management, where the high priests are the retail experts. This is all the more reason that it should be read and carefully studied by both Local Authorities and campaigners. It does however contain in a number of places notes of caution, albeit at times rather under-stated – not least in the Glossary of Terms.

We have sought to draw out both the key points of the guidance, in particular as to how they impinge on planning applications for supermarkets in market towns, as the Guidance case histories are heavily 'large urban' in orientation. It is critical to remind retail experts and Councils that five of the Impact Tests apply to ALL types of economic development; they are not then again repeated in the six tests specific to main town centres and retail; they should not be lost or glossed over. PPS 4 is not simply a make-over of PPS 6 in the way that it affects planning for retail and town centres.

There are some rather low profile indications of the importance of being aware of the potential for confusion arising from definition of retail sales (and gross) floorspace, the potential for an applicant to understate sales density hence to under-estimate diversions of sales for existing shops, the case for sensitivity analysis in some cases, etc. What the practice guidance lacks in our view is case histories on market towns; **and in particular for those concerned with the determination of planning applications, with case histories to illustrate 'what to look out for'; and perhaps also we might add the 'tricks of the trade'. We offer a case history of Tesco in Sheringham Norfolk to illustrate our point.**

CASE HISTORY: TESCO IN SHERINGHAM, NORFOLK

BACKGROUND

The history of Tesco in Sheringham is lengthy and complicated, and has not yet drawn to a conclusion. However, it serves to highlight approaches to the rigorous analysis of the retail assessments which accompany a planning application. This is important as for many years the Council officers and Councillors everywhere have had to place an undue reliance on the advice of expert retail consultants in determining a planning application which has, at times, left them perilously close to a reluctant 'rubber-stamping'.

The case history we discuss has many aspects, some atypical, so we focus on the retail assessment; but it is worthwhile sketching in the main steps in the process to date. In 1998, the year of the DETR report on the impact of out-of-centre supermarkets, Tesco were refused an application for a store on such a site (Holway Rd). Between 1998 and 2003 there were secret negotiations between senior Council Officers and Tesco on a land assembly for an edge-of-centre site on the Cromer Road. This involved the demolition of the Community Centre, Fire Station and 15 units of social housing, on land owned by the County and District Councils. Tesco would provide replacements for the first two, but in effect the commitment would not be met on the social housing (the replacement would in fact be a normal section 106 arrangement).

The first planning application of Tesco at Cromer Road, Sheringham: 2003-2007

In the summer of 2003, Tesco entered an application for the site, with a supermarket of declared gross floorspace of 2,695sqm and 1,500sqm of sales floorspace. This was rejected on the 10th December by the area planning committee, and again by the combined (two area) committee on the 22nd January 2004. On both occasions this was against the officer advice, a pattern that has continued to the current day. A week before the second meeting the Property Director of Tesco took the 'unusual step' of writing direct to the planning committee Councillors. He expressed 'much disappointment and frustration' at the outcome of the 10th December, and 'that there would be any doubt at all about the outcome of our planning application'. The three page letter re-iterated the planning case of the company, with the opening behest to the locally elected members saying 'I hope that you will consider my letter carefully', and closing with 'I do hope that you can support the Tesco proposals on the 22nd January'.

A number of applications, some not on the store but related aspects, were entered between 2003 and 2007. On the 22nd November 2007 the application for the store was decisively rejected by Councillors on a 17-0 vote. By this time the 1,500sqm sales floorspace had been allocated as 1,200 sqm for convenience products and 300sqm for comparison goods. The decision notice dated 19th December 2007 gave the formal reasons for refusal as the size and scale of the development being inappropriate and out of character with the existing historic town centre and its proposed status as a Secondary Settlement with a Small Town Centre; the size of the store would significantly exceed the floorspace threshold in the Submitted Core Strategy (this was approved and adopted in September 2008).; the likelihood of the detrimental effect on

local businesses and would undermine the vitality and viability of the town centre; the design of the building was inappropriate for the location, and would lack sufficient local distinctiveness or innovation; and it would likely generate unacceptable levels of traffic resulting in congestion problems and be detrimental to the free flow of traffic on the local highway network.

The Appeal by Tesco against refusal of the first application at Cromer Road, Sheringham

Tesco appealed against the decision and a Public Inquiry was held in July 2008. The Inspector identified three key issues which were repeated in the Decision Letter dated 8th September 2008. 'The first is the effect of the proposal on the retail function, vitality and viability of Sheringham town centre. The second is its effect on the character and appearance of the area. The third is whether there would be an unacceptable congestion on the local highway network.

In her overall conclusions and penultimate paragraph she stated: *'Nevertheless, the harm that I have identified to the vitality, viability and retail function of Sheringham town centre and the likely detrimental impact on future investment is of overriding importance. Whilst a well located foodstore of the size and in the right place would be of undoubted benefit, this particular proposal is likely to irreparably diminish the attractiveness and quality of the tourist and market town.'*

The Inspector was critical of the design, and in her view would conflict with policies in PPS 1 and the GDIT to PPS 6. She concluded however that the store would not cause unacceptable congestion on the local Highway network. It is worth noting that with the replacement of PPS 6 by PPS 4 the key change has been a strengthening of the Impact Assessment, which provides further support to her overriding reason for refusal.

The amount and depth of evidence required by the Inquiry helped to elucidate the Tesco formula for space and the relationships between the different types. In the Tesco system the retail sales floorspace excludes the public ancillary space. The public ancillary space includes checkouts and the space in front of them, etc, and toilets and cafes where present. For a number of stores at the lower end of the Tesco range, and middling market town size in Norfolk, the public ancillary space worked out at around 20.4% of the sales floorspace, and added to the sales space, gave a figure Tesco call the 'net'. The difference between the net and gross represents the space required for storage and service facilities, and for staff facilities. The ratio of 'net' to gross floorspace worked out at close to 66% for these stores.

By this time we had recognised that the ratio is not unimportant; a 'low' figure for net to gross indicates that not all is transparent. This issue arose with a concurrent Tesco application in Fakenham, one of the towns identified in the 1998 DETR report as badly 'hit' by out of centre stores.

This like Sheringham was an edge of centre site. The Fakenham proposal had a declared retail floorspace of 1520sqm for convenience goods, and a gross space of 3,757sqm, and CPRE questioned a ratio of sales to gross of 40.7%. The application was approved at this level, with some discussion as one condition being the amount of comparison space to be agreed. The Councilors viewed this as part of the 1520sqm, and in our tracking of the file, they never did

formally approve an allocation for comparison goods. The decision notice of the 20th December 2005 however included 380sqm of comparison space, to give a total sales floorspace of 1,900sqm. At the Public Inquiry the retail assessment included several Tesco stores showing their 'net', which in the case of Fakenham enabled us to calculate that the public ancillary space for this store was 385sqm, and formed part of the evidence for the 20.4% 'add-on' factor.

Following the refusal by the Planning Inspectorate of the Sheringham application, Tesco lodged a legal challenge to the decision. Soon after this the company publicly stated that they would be working on a new application, with the declaration that it would address the concerns of the Inspector; the store would be smaller in size and have a design from an award winning architect.

THE CURRENT APPLICATION BY TESCO AT CROMER ROAD, SHERINGHAM

The new Tesco planning application was submitted by Tesco in summer 2009. In the year since the publication of the Inspector's refusal of the first application there had been three major changes. A rival application had been submitted a month previous to Tesco, the Greenhouse Community Project (GCP); the arrival of a Sainsbury Local store in the High Street in the defunct Woolworth premises (and so not requiring planning permission); and the recession. Then on the 29th December, just prior to the determination of Tesco and the GCP applications, there was the arrival of PPS 4, to replace PPS 6 and other PPS's dealing with economic development, including those parts in PPS 7.

The GCP application is a 'package' of supermarket, Food Academy and kitchen garden and allotments; it looks for a different ethos, with opportunities to learn about nutrition and health, and improve cookery skills. The supermarket building has a low profile in the landscape and an eco-design. The focus would be on food products, with an upper limit of 10% sales space carrying comparison goods. The buildings are within the town settlement boundary, on what until September 2008 had been designated as an employment site for some 60 years but never developed as such. Taken as a 'stand alone' supermarket it would fail the sequential test as a site compared to Tesco with an edge of centre site at Cromer Road. As a package there is a more 'open' situation, and this in our view is strengthened by PPS 4, with a greater emphasis on economic growth coupled with sustainable development (see policy EC10.1).

At end December it was announced that Waitrose would take up the supermarket and run as a flagship enterprise. The Food Academy would be privately run by the applicant. All parties were agreed that the cumulative effect of having both stores was out of the question. It would be one or the other; or it could be neither as they were currently framed.

The size of the Tesco and GCP proposals

Tesco hailed their store as being smaller than that turned down at the Inquiry, with the sales floorspace of 1,025sqm for convenience products (-14.6%), and 150sqm for comparison goods (-50%). The Tesco sales floorspace of 1,175sqm was generally assumed to be somewhat smaller than that of the GCP declared at 1,250sqm. However, shortly before the officer report

on the two applications was due to be produced for the 4th March planning committee meeting, the NNDC retail consultant realized that two different sales space definitions were being used by the applicants.

Putting the two applications on a comparative basis showed some significant differences:

	Sales area using NRPF definition	Sales area using CC definition
GCP/Waitrose	1,250sqm	927sqm
Tesco	1,429sqm	1,175sqm

Up until this time, judgements on sales floorspace had been made by comparing 1,250sqm for Waitrose on the National Retail Planning Forum definition versus 1,175sqm for Tesco using the Competition Commission definition, and not on a like-for-like basis. On a comparative basis the Waitrose is 27% smaller using the CC definition, and 14% smaller on the NRPF definition (the Waitrose application includes a café in the public ancillary space).

In addition with the Tesco application there is a major issue on gross floorspace. Their retail assessment declares the gross space to be 2,100sqm, and stated to be 22% less than the application refused at the Inquiry. However, the Design and Access statement shows one plan drawing with a mezzanine floor with some equipment in place, although neither document mentions a mezzanine floor in the text. But the Design document does quote a gross floorspace of 2,873sqm. The PPS 4 policy is very specific on the use of gross floorspace in determining an application. The NNDC officers to date only quote the retail assessment figure for gross space.

There are however also two definitions of gross floorspace in existence, as shown in Annex A of the Practice Guidance. One is footprint, which may be what the Tesco retail statement is using. The other is total built floorspace, which is surely what PPS 4 assumes. There is therefore some 700sqm 'spare' space within the Tesco proposal which would make for at least 470sqm more sales floorspace and a further generous amount of public ancillary space. On this basis the gross floorspace is not 22% smaller than that at the Inquiry, but 6.2% larger.

In addition again the Tesco application has five 'independent' adjacent units with a floor space of some 300sqm which would likely sell comparison goods. This brings the declared total sales floorspace back to what it was at the Inquiry; plus of course 'spare' capacity within the building. With a 143 spaces car park on one side of the store and an alley way link to the town centre on the other side, the site will act as a competing 'centre' for the town.

Finally, it should be noted that the adoption on the North Norfolk Core Strategy on the 24th September 2008 confirmed that, within the District settlement hierarchy, Sheringham was defined as a Secondary Settlement with a Small Town Centre. As such a retail development with a net sales area of 500-749sqm would be permitted (Policy EC 5); or it needs to be demonstrated that the proposal demonstrates a specific quantitative or qualitative need within the catchment area served by the town. For this policy, it is the area for Sheringham within a ten minute drive, unless closer to an adjacent town (Cromer, Morrisons and the Co-op).

The Tesco retail assessment of diversion of sales from existing shops

The Tesco retail assessment took 2008 as the base year, 2009 as the Sainsbury's Local intervention point, and 2012 as the Tesco design year, and provided estimates of sales diversions from existing shops first by Sainsbury's Local, and then subsequently Tesco. Their analysis and conclusion was essentially that the 250sqm Sainsbury store, one-fifth the size of the Tesco store, would cause a significant loss of turnover (average figure 18.8%) on the existing shops and that the arrival of Tesco would make little further difference to these and be beneficial by increasing retention of Sheringham main shop expenditure within Sheringham, and the benefit of an increased 'footfall' in the town centre.

However these conclusions were based on two flaws. The first was to heavily over-estimate the 'trade draw' of the Sainsbury's Local at 2009, and that in turn results in a corresponding under-estimate of the 'trade draw' that Tesco would later have. The start and finish points might be the same, but the route is incorrect and misleading. This fault was compounded by the use of the average figure for trade diversions, as within the average were some major differences.

Tesco calculate the Sainsbury's Local 2009 diversion of sales from existing town centre shops as being £3.528m, which from a sales floorspace of 255sqm entails a sales density of £13,835. However, the company average over large and small stores is £9,500, according to the NNDC retail consultant. Large stores are more 'efficient' and trade at a higher level than the company average. It might be generous to say that the Sainsbury's Local might trade at a sales density of £10,000. Using this figure, the turnover generated by 255sqm will be £2.55m.

This would mean that the Tesco estimate of the diversion of turnover from existing shops by the Sainsbury's Local is about £1m too high; the overall figure should in fact be about 72% of that used in the Tesco Planning and Retail Assessment. **The effect is to inflate the impact of Sainsbury's Local at year 2009, and deflate that of Tesco at 2012.**

In addition to the total diversion of sales from existing shops, it is important to try and estimate how this might be distributed. Tesco have estimates for the diversion of sales by Sainsbury's Local from the two food stores Budgens (280sqm) and the Co-op (175sqm); and 'Other town centre', the small shops as taken as a sector. The data is aggregated and presented as the overall average of 18.8%. If the Tesco data is worked out for each separately, we see that the diversions are respective losses of their turnover of 31.9% by Budgens, 22.5% by the Co-op and 8.4% by the small shops. However, while the relative proportions might be about right, the loss of the respective turnovers should be scaled down by a factor of about 72%.

The relative pattern of loss of turnover is what might be expected. The sales space and range of goods sold by the Sainsbury's Local, Budgens and the Co-op are similar. The stores are close to each other on the High Street. It would be expected that they compete more directly with each other, but that the Sainsbury's Local would compete marginally with the specialist food shops and not at all with shops selling comparison goods. The presence of a strong 'name' on the High Street could in fact be an extra 'footfall' factor, and be supportive of the small shops.

Tesco at a size which is approaching five times that of the Sainsbury's Local, and carrying far wider range of convenience products, would have a significant adverse impact on the specialist food shops; and the Tesco site as a whole would have a strong negative impact on the independent shops selling comparison goods.

Tesco and sales density; and sales diversions

At the Inquiry in July 2008 the Tesco figure was £13,598, derived from their estimated £16.138m turnover for convenience products from 1,200sqm of sales floorspace. The Tesco retail assessment one year later for the current application gave a corresponding sales density figure of £12,552, based on a turnover of £12.866m from 1,025sqm of convenience floorspace. Tesco for some years have had the highest sales density of all the major multiples, and this 7.7% reduction could illustrate the impact of the recession and an increase in competitive pressure in the market as a whole.

However the Practice Guidance does caution that a turnover and sales density might be stated which is in fact lower than the company's expectations. The reason for doing this is it implies a lower impact on existing shops, given that for convenience products and a saturated market all the turnover will be derived from existing shops.

We estimated at the Inquiry that the Tesco sales density for comparison goods would be around £6,800. This was on the basis that generally for a company their sales density for comparison goods is about two-thirds that for convenience products. The Tesco retail assessment for the current application for comparison goods actually states a company average of £6,700 (the first time we have seen a figure directly quoted). The considerable interest of the large multiples in comparison goods lies in the fact that it is considered to be a growth market, and with higher profit margins. In addition of course, having such a wide range of goods under one roof is a strong inducement to a one-stop shop, with a further concentration of expenditure in the multiples.

Having two applications for the same site from Tesco within a space of a year shows some interesting and unexplained changes in estimates for sales diversions of convenience products. In this case the most dramatic is that the 2008 estimate for diversion of sales from the nearby Morrisons in Cromer was given as £8.335m. The 2009 figure is stated to be £4.798m, a reduction of £3.537m (42%). This 42% drop is, as a proportion, three times the 14.6% reduction in sales floorspace between the first and second applications.

Morrisons as a low cost brand may do relatively better in a recession, but this difference stretches the credibility of the estimates, and with it the reliability of the methodology as a whole. It gives little confidence to the margins of genuine error there might be when dealing with the relatively small sums diverted from small shops, but which can be to them a matter of survival.

Nor does the reduction in turnover drawn from Morrisons 2008 vs 2009 fit well with some other changes in the estimates for sales diversions. The diversion from Asda in Norwich, a strong low cost brand in a store 25 miles away, is estimated to increase for Tesco, from £0.521m to £0.739m, an increase of £0.218m (41%). Also not explained is the diversion from Sainsbury supermarket in North Walsham, a fall from £1.039m to £0.649m, a drop of £0.39m (37.5%).

The process to a determination of the Tesco and GCP applications

With two applications to determine, the Council Officers asked a retail consultant (the same as at the Inquiry) to advise them by undertaking an audit on the planning and retail assessments produced in support of the applications. The report was completed on the 23rd November 2009. CPRE requested that they see this report on the 1st December 2009 but there was no response to the request. However a copy of the audit on both applications was obtained from another source just before the Christmas break.

CPRE carried out an 'audit-on-the-audit' of the Tesco application, which the consultant stated was compliant with PPS 6, and while the impact on existing shops was higher than presented by the Tesco assessment, it was acceptable. A detailed analysis was embarked upon by both revisiting the Tesco document, and examining the audit alongside it.

The two applications were to be taken to a committee meeting on the 28th January, but PPS 4 arrived on the 29th December, and the planning meeting was re-set for the 25th February, and later again, the 4th March.

CPRE completed their audit (15 pages) on the 11th January and sent it to NNDC. It contained the detail of our conclusions set out here. On the 8th February, following earlier e-mails, we formally wrote (three pages) to argue that the applications were being processed too quickly given that PPS 4 introduced some major changes in the planning framework. The timescale was allowing insufficient time for all interested parties to assimilate and digest PPS 4 (this in our view included Tesco, who when asked to comment by NNDC on their application on the 6th January, responded on the 8th January as to how they saw PPS 4 affecting both applications).

We argued that the process should be in three steps: a critical re-examination of the baseline evidence in the retail assessments of both applications and the audit on each, done under PPS 6; a careful 'standalone' analysis and interpretation of PPS 4 and the changes it brought about (this document is our version); and the application of the latter to both applications and the re-examination of these. In our view the whole process had become too compressed, and in particular some of the changes in PPS 4 policy or emphasis were being 'lost'.

It was not clear why there should be so much time pressure on determining the applications; albeit by the 27th March Tesco would have had to decide whether to pursue their legal challenge to the Inspectorate on the refusal of their previous application, or let it lapse. Whatever the reason, it was making the process in our view unsatisfactory.

Committee Decision

On the 4th March 2010, Councillors voted to refuse the Tesco application and accept the GCP application, both against the Officers advice. The minutes note that the decision was made that subject to seeking legal advice and consideration of that advice, the Head of Planning and Building Control be authorized to:

a) refuse the Tesco application 20090818 for the following reasons:

- Failure to comply with Core Strategy Policy EC 5 on grounds that the proposed store will have a detrimental impact on the sustainability and viability of the town by reason of its size.
- Contrary to the appeal decision in respect of 20070217 in terms of size.
- The design is incompatible with the town and conflicts with Policy EN 4.
- Failure to meet the tests of PPS4; and

b) approve GCP application 20090777 as the Committee considers that insufficient weight has been given to the ethos, design and sustainability of the Weybourne Road proposal and its connection with the town, and to the benefits of the electric bus service and the food academy, subject to the imposition of appropriate conditions.

Following the Committee meeting further legal advice was sought from Mr James Strachan of Counsel (who acted for the District Council at the July 2008 Public Inquiry). A synopsis of this advice was supplied for a committee meeting on the 8th April. We quote the first and last two paragraphs of this.

Counsel has advised that having regard to the applications before the Committee on 4 March and the issues they raised, he considers that a decision to approve the Weybourne Road application and refuse the Cromer Road application ought to be legally defensible in principle but the reasons for the Council's decision must be proper, adequate and intelligible.

...Therefore whilst the decisions of the Committee may be legally defensible in so far as they depart from the Development Plan or PPS 4, for the decisions to be sound and lawful decisions, the reasoning needs to be properly articulated and departures from PPS 4 would not necessarily be upheld on appeal by the Secretary of State in the absence of good reasons for the departure. The minutes of the Committee meeting do not appear to provide the necessary clarity as to the Committee's reasoning for its decision.

It is appropriate for Officers to formulate the reasons of the Committee by reference to the relevant elements of national, regional and local policy and the Committee's deliberations. Where Officers consider that the minutes do not give a clear indication as to the reasoning of the Committee, Members may be asked to clarify their reasoning. Officers may support this process by giving appropriate professional advice as to the relevant policy framework. However the reasoning should be that which reflects the Committee's decision at the time unless the Committee is being required to consider the decision again.

The final two paragraphs of the minutes produced for the 4th March meeting are also quoted:

In the opinion of the Head of Planning and Building Control the decision to refuse the Cromer Road development and approve the Weybourne Road development would conflict with Policy EC 5 of the adopted Core Strategy, particularly in respect of the application of the sequential test for retail development, and this would constitute a significant departure from the

Development Plan. Sound reasons for such a departure from policy have not yet been articulated by the Committee.

Under these circumstances it will be necessary for the Committee to meet again to consider these applications in order to allow the reasoning for its decisions on 4th March to be properly articulated. At that meeting Members will be asked once again to determine the applications and will be obliged to consider any further representations which have been received prior to and at that meeting (our emphasis).

The minutes and the legal position were both noted by the Committee on the subsequent meeting on the 8th April. This means that both applications will come back for consideration to the Committee, as set out above.

In the view of CPRE Norfolk, this will entail a more detailed consideration than hitherto on PPS 4, as we have maintained over the past three months.

THE WIDER PERSPECTIVE

The Tesco applications on the Cromer Road site span almost ten years, against a changing national policy framework of two versions of PPS 6, and now PPS 4. The main reason that it is still 'live' rather than approved some years ago is due to sustained and determined local efforts, and of course by Councillors. The opposition has included a large number of individuals in Sheringham and the local campaign group, born out of the Sheringham Preservation Society, the Town Council, and Chamber of Commerce. It includes young as well as old. They are not averse to all change, but do not want to lose what they value within the town, and its character.

As such CPRE Norfolk has been glad to be able to lend some support, and will continue to do so. At the same time we have now sought to draw on our experience in Sheringham, in the hope that it will be of some use to others who might be engaged in a similar fight to retain the best in their town, and at the same time move towards a more sustainable food chain and be more supportive of their local rural economy.

CPRE Norfolk is not anti-Tesco or any other supermarket. But we, along with many others, are greatly concerned at the ever-continuing concentration of food retailing in the hands of the major multiples and the loss of local shops. As an organisation we seek to influence the planning system, and to work within in it, when we do contest an application. Hence we produce this document on PPS 4.

We cannot say when the situation in Sheringham will be resolved, and it would be wrong to predict a timescale and outcome. In the meantime, information on CPRE Norfolk's involvement with the Tesco proposals in Sheringham, including any further updates, will be available on our website.

APPENDICES

APPENDIX 1. THE RECESSION. THE GOVERNMENT VIEW

We quote from the Impact Assessment document:

42. Since the original PPS4 consultation document was published in December 2007 and the PPS 6 consultation was published in summer 2008, the global economy has experienced significant slowdown, and as a result, growth prospects worldwide have sharply declined. Output growth in the UK economy has fallen for the six consecutive quarters to September 2009, with output in most sectors negative. In terms of specific economic sectors, financial services, which have largely driven UK growth over the past decade, are now experiencing falling employment, earnings and profits. When growth resumes, finance is likely to make up a smaller share of economic activity in the future. Manufacturing outputs have also fallen significantly, and recovery is not expected until at least 2010. The construction industry is experiencing similar difficulties whilst property markets, including commercial property, have been severely affected by the slowdown in the global economy. Whilst the fluid nature of the general economy at present makes it more difficult to forecast with any accuracy which sectors will drive the economic recovery, the property and construction sectors should recover in the medium term, together with a consolidated financial services sector. Falls in consumer confidence, rising unemployment and reduced consumer credit have also affected retail sales where growth has been reduced.

157. Current market conditions pose particular challenges to small shops and independent retailers. Recent years have seen significant closures of certain types of small shops and independent retailers, as noted in both the Competition Commission working paper report on small shops, and the analysis undertaken by the Parliamentary All Party Small Shops Group. This decline in numbers is likely to be exacerbated by current economic conditions, although we note the conclusion from the Competition Commission that while sympathetic, their evidence does not show that independent retailers have been in terminal decline, or that it is impossible for them to compete with large retailers. We note in this context that the New Economics Foundation's Clone Town Britain report, for example, flags the dangers of a failure to achieve a balance between multiple retailers and independent retailers, and the consequences that this can have for vitality and viability.

160. It is vitally important that any planned investment and investor confidence in both small and large proposals, particularly in medium-sized and smaller centres, continues into the future and is not undermined by any weakening of the Government's town centre planning policy. The new impact test will allow local authorities to make a rigorous assessment of the impacts of any proposals not in accordance with the development plan, in out of centre locations. If there is a significant adverse impact with respect to any of the key impact considerations the proposal can be refused by the local authority. In addition the policy maintains the requirement for applicants to look for the most central sites (the sequential approach).

161. Retaining or improving retail diversity and consumer choice and protecting town centre vitality and viability may also be more challenging in the short term. The inclusion of retail

diversity and consumer choice as a consideration in the impact test should encourage development which supports a good retail mix. The impact test will also require local authorities to consider the effects of new development upon existing town centre trade and turnover. This will enable local authorities to make decisions appropriate to their local circumstances when considering development proposals.

APPENDIX 2: COMMUNITIES AND LOCAL GOVERNMENT PRESS RELEASE ON PPS4

The following is the press release from Communities and Local Government on the 29th December regarding the new PPS4.

An overhaul of the planning system that will give Town Halls the tools they need to boost business growth and provide new safeguards for town centres and local markets was published today by Housing and Planning Minister John Healey, on a visit to Doncaster town centre and market with markets Minister Rosie Winterton.

Planning policy has long supported town centres, but after extensive consultation, John Healey has today published new advice for Town Hall planners that replaces previous guidelines, cutting the guidance from 137 pages down to 32.

The new Planning Policy Statement 4 combines town centre and economic development policy into a single streamlined statement that supports sustainable economic growth, protects local markets and small shops and will help councils make the decisions to help speed up economic recovery in our towns and rural communities.

The revised guidelines keep the important 'sequential test' for town planners, which requires the most central town centre sites to be developed first for shops, leisure and offices rather than out of town sites that lure high street shoppers away.

A tougher 'impact test' is also being introduced, replacing the dysfunctional 'needs test', which will now give councils better controls over big developments that put small shops and town centres at risk. Using this test, development that could harm town centres will be assessed against key factors including climate change, impact on the high street, consumer choice, consumer spending and jobs.

John Healey said:

"At this time of year when we shop in the New Year sales, we appreciate our town centres more than ever as the vibrant hearts of our communities. We need to protect and promote town centre economies, which is why I am publishing streamlined guidance strengthening the ability of councils to safeguard local services like shops and pubs - the lifeblood of our towns.

"As the country moves towards economic recovery, the government is putting in place new protections for local shops at the heart of communities as many high streets have been hit hard by a double whammy of the downturn and out-of-town retail parks.

"By strengthening the hand of local councils we are giving them the expert tools they need to put the viability and vitality of town centres first in difficult market conditions. The new tools go further than ever before to protect town centres from the harm large out-of-town developments can have.

"This new approach also gives rural and urban councils the powers to back developments while making sure that the impacts on important local services like pubs and shops are fully considered in planning decisions.

"We are helping councils plan for the recovery, so they can make the right long term, local decisions that generate growth and prosperity for the community."

Local Government Minister Rosie Winterton said:

"Yorkshire has a great market heritage and Doncaster, where we are today, is one of the biggest and finest markets in the North that has been around since the thirteenth century.

"Markets like this all over the country have had a tough time recently with competition from out of town supermarkets and discount stores but they are a vital part of the local economy creating jobs, attracting more people to town centres and providing good value fresh produce.

"As the Government's champion for traditional markets I am delighted that this new economic planning policy will make it easier for town halls to protect and enhance existing markets as part of their vision for the town centre."

Matthew Taylor MP, who produced the Taylor Review into rural housing and economies said:

"The new economic planning guidance (PPS4) implements significant recommendations of the 'Taylor Review' (Living Working Countryside). This is a major simplification of economic planning policy, gives strong support for traditional market town centres, and clear backing for appropriate economic developments that sustain small rural communities.

"In the past too many villages have seen their local economy wither and die - in the new PPS4 there is now firm support for rural businesses, shops and other facilities that sustain rural employment and services.

"In the name of protection, too many rural villages have ceased to be living, working communities as economic opportunities have been over-curtailed - that should no longer be the case. I hope every rural planning authority will respond to this new guidance, recognising that the key to protecting a sustainable countryside is also maintaining thriving rural communities with vibrant local services and businesses."

Specifically the revised Planning Policy Statement 4 (PPS4):

- *reinforces the 'town centres first' policy and ensures the planning system promotes the vitality, viability and the unique character of town centres*
- *promotes consumer choice and retail diversity*
- *keeps the important 'sequential test' that requires developers to seek the most central sites first*
- *removes the dysfunctional 'needs test' which can unintentionally stifle diversity and consumer choice in town. In some cases new shops in town centres were ruled out because out of town developments, such as big supermarkets, already provided that function.*
- *creates a new tougher 'impact test' that assesses economic, social and environmental criteria so councils can better assess the impacts on the town centre. It tests whether impact is positive or negative on climate change, town centre consumer choice and retail diversity; investment and town centre trade and gives councils powers to cap the size of big retail developments where this is justified.*
- *Requires local authorities to plan positively for sustainable economic growth*
- *Requires local authorities to make markets an integral part of the vision for their town centres, enhancing existing markets and, where appropriate, re-introducing or creating new ones.*
- *allows rural authorities to plan for economic development in rural areas subject to the need to protect the countryside, recognising that a site may be acceptable even if it's not readily accessible by public transport.*

END

APPENDIX 3. KEY POLICIES IN PPS4 FOR IMPACT ASSESSMENT

The two policies for assessing the impact considerations for a planning application are EC10 and EC16. EC10 deals with considerations which apply to all types of economic development. There are an additional six considerations for retail and other town centre uses, and those are given in Policy EC16. Policy EC17 sets out the planning matters that require an application to be refused; this includes compliance with the sequential test as well as the conclusions from the impact considerations.

Policies EC10, EC16 and EC17 are set out verbatim below:

Policy EC10: Determining planning applications for economic development

EC10.1 Local planning authorities should adopt a positive and constructive approach towards planning applications for economic development. Planning applications that secure sustainable economic growth should be treated favourably.

EC10.2 All planning applications for economic development should be assessed against the following impact considerations:

a. whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions, and minimise vulnerability and provide resilience to, climate change

b. the accessibility of the proposal by a choice of means of transport including walking, cycling, public transport and the car, the effect on local traffic levels and congestion (especially to the trunk road network) after public transport and traffic management measures have been secured

c. whether the proposal secures a high quality and inclusive design which takes the opportunities available for improving the character and quality of the area and the way it functions

d. the impact on economic and physical regeneration in the area including the impact on deprived areas and social inclusion objectives

e. the impact on local employment

Policy EC16: The impact assessment for planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan

EC16.1 Planning applications for main town centres uses that are not in a centre (unless EC16.1.e applies) and not in accordance with an up to date development plan should be assessed against the following impacts on centres:

a. the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal

b. the impact of the proposal on town centre vitality and viability, including local consumer choice and the range and quality of the comparison and convenience retail offer

c. the impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan

d. in the context of a retail or leisure proposal, the impact of the proposal on in-centre trade/turnover and on trade in the wider area, taking account of current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made, and, where applicable, on the rural economy

e. if located in or on the edge of a town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres

f. any locally important impacts on centres under policy EC3.1.e

Policy EC17: The consideration of planning applications for development of main town centre uses not in a centre and not in accordance with an up to date development plan.

EC17.1 Planning applications for main town centre uses that are not in an existing centre and not in accordance with an up to date development plan should be refused planning permission where:

a. the applicant has not demonstrated compliance with the requirements the sequential approach (policy EC15); or

b. there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of impacts set out in policies EC10.2 and 16.1 (the impact assessment), taking account of the likely cumulative effect of recent permissions, developments under construction and completed developments

EC17.2 Where no significant adverse impacts have been identified under policies EC10.2 and 16.1, planning applications should be determined by taking account of:

a. the positive and negative impacts of the proposal in terms of policies EC10.2 and 16.1 and any other material considerations; and

b. the likely cumulative effect of recent permissions, developments under construction and completed developments

EC17.3 Judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date). Recent local assessments of the health of town centres which take account of the vitality and viability indicators in Annex D of this policy statement and any other published local information (such as a town centre or retail strategy), will also be relevant.

The supporting evidence for planning applications for main town centre uses is given in Policy EC 14, which indicates when the impact tests (and sequential test) should be applied. The point at 14.7, 'Any assumptions should be transparent and clearly justified, realistic and internally consistent', is worth examining (see Case History). The two policies are also shown verbatim:

Policy EC14: Supporting evidence for planning applications for main town centre uses

EC14.1 References in this policy to planning applications for main town centre uses include any applications which create additional floorspace, including applications for internal alterations where planning permission is required, and applications to vary or remove conditions changing the range of goods sold.

EC14.2 The town centre policies in this PPS apply to planning applications for the above uses unless they are ancillary to other uses. Where office development is ancillary to other forms of economic development not located in the town centre there should be no requirement for such offices to be located in the town centre.

EC14.3 A sequential assessment (under EC15) is required for planning applications for main town centres uses that are not in an existing centre and are not in accordance with an up to date development plan. This requirement applies to extensions to retail or leisure uses only where the gross floor space of the proposed extension exceeds 200 square metres.

EC14.4 An assessment addressing the impacts in policy EC16.1 is required for planning applications for retail and leisure developments over 2,500 square metres gross floorspace or any local floorspace threshold set under policy EC3.1.d not in an existing centre and not in accordance with an up to date development plan.

EC14.5 In advance of development plans being revised to reflect this PPS, an assessment of impacts in policy EC16.1 is necessary for planning applications for retail and leisure developments below 2,500 square metres which are not in an existing centre and not in accordance with an up to date development plan that would be likely to have a significant impact on other centres.

EC14.6 An impact assessment dealing with the impacts set out in policy EC16.1 is also required for planning applications in an existing centre which are not in accordance with the development plan and which would substantially increase the attraction of the centre to an extent that the development could have an impact on other centres.

EC14.7 Assessments of impacts should focus in particular on the first 5 years after the implementation of a proposal and the level of detail and type of evidence and analysis required in impact assessments should be proportionate to the scale and nature of the proposal and its likely impact. Any assumptions should be transparent and clearly justified, realistic and internally consistent.

EC14.8 Local planning authorities should respond positively to approaches from applicants to discuss their proposals before a planning application is submitted and seek to agree the type and level of information that needs to be included within an impact assessment.

Policy EC15: The consideration of sequential assessments for planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan

EC15.1 In considering sequential assessments required under policy EC14.3, local planning authorities should:

a. ensure that sites are assessed for their availability, suitability and viability.

b. ensure that all in-centre options have been thoroughly assessed before less central sites are considered

c. ensure that where it has been demonstrated that there are no town centre sites to accommodate a proposed development, preference is given to edge of centre locations which are well connected to the centre by means of easy pedestrian access

d. ensure that in considering sites in or on the edge of existing centres, developers and operators have demonstrated flexibility in terms of:

i. scale: reducing the floorspace of their development;

ii. format: more innovative site layouts and store configurations such as multistorey developments with smaller footprints;

iii. car parking provision; reduced or reconfigured car parking areas; and

iv. the scope for disaggregating specific parts of a retail or leisure development, including those which are part of a group of retail or leisure units, onto separate, sequentially preferable, sites. However, local planning authorities should not seek arbitrary sub-division of proposals

EC15.2 In considering whether flexibility has been demonstrated under policy EC15.1.d above, local planning authorities should take into account any genuine difficulties which the applicant can demonstrate are likely to occur in operating the proposed business model from a sequentially preferable site, for example where a retailer would be limited to selling a significantly reduced range of products. However, evidence which claims that the class of goods proposed to be sold cannot be sold from the town centre should not be accepted.

APPENDIX 4. ECONOMIC GROWTH IN RURAL AREAS (NOT JUST TOWN CENTRE)

While PPS 4 deals with **all** types of economic development (apart from housing) it is noticeable that there is a huge emphasis on retail and town centres. This is perhaps not surprising from a nation where shopping plays such a dominant role in peoples lives. We are not now however a nation of shop keepers as Napoleon observed, but have an increasing dominance by major multiples, spreading from food retailing to all types of consumer goods. With this we have also seen the growth of retail experts and their 'science', which uniquely in the planning system has made for complicated decision making which has tended to 'shut out' other interested parties.

This is why we point out, as with the Minister's intention (appendix 2), the Impact Assessment document must be read alongside the Practice Guidance when determining planning applications for supermarkets and other retail, and leisure, development.

That part of the Impact Assessment document derived from the Matthew Taylor report has some observations on other types of development that occur in rural areas, and 'rural proofing', which are of interest to CPRE and others, including of course developers.

79. The policy also requires local authorities to plan positively for economic development in rural areas subject to the need to protect the countryside. This will mean supporting small scale economic development in villages and other locations remote from rural service centres, and recognising that a site may be acceptable for development even though it may not be readily accessible by public transport.

Again on 'managing development', note:

92. The policy highlights that lack of accessibility by means other than the car should not always prevent applications for development in remote rural areas from being acceptable, particularly where they promote and sustain the viability of such areas. The policy should also help to protect economic uses in rural communities by requiring consideration of the impact of their loss on the supply of economic sites in that community.

The two 'general' statements at paragraphs 84 and 85 have an important bearing on development in rural areas:

Efficient and effective use of land

84. Again, linked to the requirement to provide a good supply of land for economic development by identifying suitable sites, the policy will ensure the efficient use of land, including encouraging the re-use of vacant land or derelict buildings. In particular, a positive approach towards the re-use of heritage/listed buildings for sustainable economic development will help to bring back into productive use buildings which may otherwise not fulfill their potential. It can also have wider benefits in that it can help to regenerate an area and provide an attractive working environment, including prioritising the re-use of brownfield land, which in turn has environmental benefits, as around 32 per cent of all waste is generated by demolition and construction. In addition, local authorities should take a positive approach to changes of use where there is no likelihood of demonstrable harm.

85. The policy also aims to encourage local authorities to use land efficiently by building upon the benefits of technological developments, such as increased investment by high technology firms. In a 2004 survey of 2000 workplaces, 55 per cent of employees said that ICT was essential or very important in their job¹¹. On a related point, the DTI Annual Small Business Survey 2006-07 shows that 34 per cent of all business start ups are now home based. The policy recognises that new ways of working such as live/work or the use of residential properties for home working have an impact upon spatial planning which should be considered when planning for economic development.

The plan-making policies for economic development in rural areas are given by EC6; and EC7 deals specifically with tourism. The high priority given to tourism is a reflection of its contribution to the UK economy. The corollary for historic market towns, most of which have an important tourism and visitor 'draw' vital to their economy, is that they should not lose their character, and see the local distinctiveness and sense of place eroded or destroyed. This has happened already to a very significant extent by the over-representation of supermarkets which are not of 'appropriate scale' for the town centre and the hierarchy of towns in a district.

The determination of planning applications for economic development in rural areas is set out in Policy EC12. We quote this in full:

Policy EC12: Determining planning applications for economic development in rural areas

EC12.1 Re-use of buildings in the countryside for economic development purposes will usually be preferable, but residential conversions may be more appropriate in some locations and for some types of building. In determining planning applications for economic development in rural areas, local planning authorities should:

a. support development which enhances the vitality and viability of market towns and other rural service centres

b. support small-scale economic development where it provides the most sustainable option in villages, or other locations, that are remote from local service centres, recognising that a site may be an acceptable location for development even though it may not be readily accessible by public transport

c. take account of the impact on the supply of employment sites and premises and the economic, social and environmental sustainability of the area, when considering planning applications involving the loss of economic activity.

d. approve planning applications for the conversion and re-use of existing buildings in the countryside for economic development, particularly those adjacent or closely related to towns or villages, where the benefits outweigh the harm in terms of:

i. the potential impact on the countryside, landscapes and wildlife

ii. local economic and social needs and opportunities

iii. settlement patterns and the level of accessibility to service centres, markets and housing

iv. the need to conserve, or the desirability of conserving, heritage assets and

v. the suitability of the building(s), and of different scales, for re-use recognising that replacement of buildings should be favoured where this would result in a more acceptable and sustainable development than might be achieved through conversion.

END



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