SEVENOAKS DISTRICT RETAIL STUDY

Planning Advisory Committee – 22 September 2016

Report of	Chief Planning Officer
Status:	For Consideration
Key Decision:	No

Executive Summary: The emerging Local Plan requires a new evidence base that will support the formation of new local planning policy. The Council first commissioned a Retail Study in 2007, and published an update in 2009. The Council has commissioned a new Retail Study for 2016, to understand the current position of town/neighbourhood centres, and how town/neighbourhood centres will evolve over the course of the new Plan period (up to 2035).

Portfolio Holder	Cllr. Piper
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Recommendation to Planning Advisory Committee:

To note the Retail Study as part of the evidence base for the new Local Plan.

Reason for recommendation: In order to produce appropriate town/neighbourhood centre and retail policies as part of the emerging Local Plan.

Introduction and Background

1 The Allocations and Development Management Plan (ADMP) was adopted in February 2015, and, together with the Core Strategy (adopted 2011), makes up the current Development Plan for the District. The Core Strategy was adopted prior to the Government's National Planning Policy Framework (NPPF) being introduced and as such now contains some policies that are not consistent with the NPPF (i.e. the Council's housing target and affordable housing policies).

2 The Council is therefore required to review its planning policies and the intention is to combine the two documents into a single Local Plan that contains up to date policies consistent with the NPPF.

3 The ADMP currently has policies relating to retail, town and neighbourhood centres which were found to be consistent with the NPPF. However, the last update to the Retail Study was undertaken in 2009, at the time of the Core Strategy examination (2010). This updated the 2007 Retail Study. As the

Council has now committed to producing a new Local Plan, it is important that all evidence bases to support new local planning policy are updated, as it is widely accepted that Local Plans should be reviewed every five years, either in whole or in part (Local Plans Planning Practice Guidance and NPPF para. 158). This five year review is typically linked to a Local Authority's five year housing land supply (NPPF para 47). It must be noted that failure to update evidence whilst preparing a new Local Plan may compromise the robustness of the Plan when it is examined before a Government appointed Planning Inspector.

4 The findings of the 2007 Retail Study indicated that the District required approximately 11,000 sq. m of non-food floorspace and 5,140 sq. m of food floorspace for the period 2011-2026. The subsequent 2009 update concluded that the food floorspace require would remain unchanged, but non-food floorspace was reduced to 2,285 sq.m. The 2009 Update concluded that the reduction in non-food floorspace was due to the economic climate following the financial recession in 2008.

Procurement of the Retail Study and Methodology

5 Firstly, it is important to note that subject to any further minor amendments, the reports presented in Appendices A to D in this report, is the final draft of the 2016 Retail Study.

6 The scope of the Retail Study 2016 was to identify the current and future provision for retail space within the District's town and neighbourhood centres. The Study would also take into account the impact of leisure and tourism on retail, as well as out-of-centre retail areas and national shopping trends (i.e. internet shopping, "click and collect"). In addition, the study has to ensure that the methodology and recommendations are consistent with the NPPF and Planning Practice Guidance to ensure that local planning policy is formulated to be in line with the principles and guidance of national retail planning policy (i.e. NPPF paragraphs 23 to 27).

7 A number of consultants were invited to tender for the Study. The Council commissioned consultants, GVA Bilfinger, to undertake the Retail Study in March 2016.

8 The methodology for the Retail Study included a number of telephone household surveys were carried out in May, as well as in-centre (face to face) surveys in specific centres that are defined within the Core Strategy:

- Sevenoaks Town (Principal Town)
- Swanley (Secondary Town)
- Edenbridge (Rural Service Centre)
- New Ash Green, Otford and Westerham (Local Service Centres)

- Service Villages (Brasted, Crockenhill, Eynsford, Farningham, Halstead, Hartley, Hextable, Horton Kirby, Kemsing, Knockholt Pound, Leigh, Seal, Sevenoaks Weald, Shoreham, South Darenth, Sundridge and West Kingsdown)

9 In total 1600 phone surveys were carried out across the survey area, as well as 200 in-centre surveys within the top six settlements within the District. Site visits to towns and villages were conducted as well as a desktop study of smaller villages and their retail provision.

10 GVA has extensive experience in providing recommendations for additional floorspace for both food and non-food uses. The methodology used to calculating the quantitative need includes:

- Using the latest population and expenditure forecasts to model projections over the study period;
- Examining the existing retail supply from the household surveys and the market shares captured;
- Factoring expected sales growth and existing commitments to retail floorspace within the District;
- Consider whether overtrading of existing floorspace represents an additional source of quantitative need;

Further details of the methodology can be found in the Study's main report (Appendix A Chapter 6).

The Findings of the Retail Study

11 Firstly, the publication of the Retail Study provides a starting point based on the latest statistics on population and expenditure used to work out the indicative floorspace requirements for the new Plan period, up to 2035. As an evidence base, the Retail Study will be examined in relation to other evidence bases gathered to determine the appropriate distribution and scale of retail floorspace required across the Sevenoaks District.

12 It is anticipated that the distribution of additional retail floorspace will reflect the current order of the existing Settlement Hierarchy (as set out in paragraph 7). However, any future planning policies will have to take into account market activity and viability, both independently and as a whole, and will be subject to public consultation before being submitted to the Government's Planning Inspectorate for examination.

13 <u>National and sub-regional context</u>

a) The Retail Study provides a commentary on national and sub-regional market retail trends with a number for factors discussed. Evidence suggests that market confidence has been returning to the High Street

since the national recession in 2008, with a particular strong economic "upswing" from 2013.

b) As a result, retailers have had to change business plans for expansion by utilising different technologies to capture and grow their enterprise. The study highlights that while the influence of online/"click and collect" shopping is increasing year on year, there appears to be a national trend of large businesses removing their need for stores within every town centre, as national coverage can be achieved through strong internet coverage. This is prominent in "anchor" stores such as Waitrose and Sainsburys as well as smaller concession stores (e.g. Argos), where the offer of "click and collect" is strong. However, analysis shows that the national trend of internet shopping (i.e. delivery to the door) looks set to plateau over the study period.

c) The purpose and role of a town centre has been changing to accommodate changing shopping patterns. This poses challenges to town centres who want to be competitive with other retail centres. Therefore, there has been a recent trend to allow a broad range of uses in appropriate locations to market a town centre as a place of social and leisure activity, as well as traditional retail practices. This can include dedicated health/leisure centres and gyms, bars, restaurants, community spaces and facilities.

d) Both comparison (non-food) and convenience (food) retail is performing well within the District but the study highlights the retail offer to the District is polarised with expenditure being drawn to retail locations outside of the District (i.e. Bluewater to the north, and Royal Tunbridge Wells to the south). Other out-of-District locations such as Orpington, Maidstone, Dartford and Bromley have been included for comparative analysis, but data shows that these retail locations do not have a significant impact on the District, unlike Bluewater and Royal Tunbridge Wells (Appendix B & C).

e) Overall, the Study suggests that despite the unsettled economic outlook in recent years, retail in the Sevenoaks District has performed rather well. A mix of independent and chain stores, as well as services, within the District's town and local centres has kept vacant unit rates low and minimised opportunities for "low-end" retail opportunities.

14 Comparison Goods (Non-food)

a) A combined comparison goods spend of approximately £504 million from the Retail Study *survey area* (not District) is spent in Bluewater (£362.5m) and Royal Tunbridge Wells (£141.1m). Sevenoaks Town Centre has a comparison goods spend of £122.3m, Swanley has £23.1m and Edenbridge £15.7m available from the *survey area*.

b) Data from the household and in-centre surveys suggests that Sevenoaks Town (Zone 1) and Edenbridge (Zone 8) has retained a significant amount of comparison goods spend from the District, while Swanley

(Zone 14) has a lower market share of comparison goods. Data collected shows that Bluewater is drawing over 40% of expenditure from the north of the District (Zones 13, 14 and 15) and as much as 20-30% from Sevenoaks Town. There is no comparative draw from the south of District (Zones 8 and 11) to Bluewater as a majority of comparison goods spend is being drawn to Royal Tunbridge Wells (Appendix B).

c) The Study recommends that the District requires **21,700 sq.m additional comparison goods floorspace** by the end of the new Local Plan period (2035). It must be noted that these are indicative figures and will have to be periodically reviewed during the Local Plan. The allocation of retail floorspace shall be considered in conjunction with other evidence gathered by the Council, which allows some flexibility for distribution.

Comparison Goods (Non-food)	***2020***	***2025***	***2030*** ***(indicative)***	***2035*** ***(indicative)***
Sevenoaks	3,100	7,200	12,100	17,100
Swanley	400	800	1,400	2,000
Edenbridge	300	600	1,000	1,400
Local Service Centres	200	500	900	1,200
Total	3,900	9,100	15,300	21,700

Please note that the figures in this table have been rounded and therefore may not add up correctly. Please refer to the Retail Study report and appendices for more information.

d) As the forecasts for additional floorspace show, it is anticipated that a majority of the need identified will be located in Sevenoaks. This is due to its status as the District's primary town centre, as well as the location where a majority of comparison stores are currently located.

e) The comparison goods floorspace requirements set out in the previous Retail Studies have not been met during the current Local Plan period (up to 2026). This has allowed the growth of convenience floorspace, as well as leisure town centre uses. To ensure that Sevenoaks Town remains a viable and diverse centre, additional comparison floor will have to be considered.

15 Convenience Goods (Food)

a) The District has a strong convenience goods offering, with at least one foodstore operating in Sevenoaks Town, Swanley, Edenbridge, New Ash Green, Otford and Westerham. Data from the household and in-centre surveys suggests that a majority of residents visit one of these six centres for food shopping, indicating that local retention levels are good within Sevenoaks Town, Swanley and Edenbridge.

b) Within the Study's survey area (not District) there is approximately £902m of convenience goods spending available, which is expected to increase to £1,036m by 2036. A majority of foodstores operating in the District are over-trading against the company's baseline performance, including Lidl in Sevenoaks which is operating 5 times over the company's average.

c) The following table sets out the recommended convenience goods floorspace (sq.m.) required over the course of the new Plan period. Like earlier recommendations made on non-food floorspace, these recommendations will be considered alongside other evidence bases to determine the appropriate levels and distribution of development:

Convenience Goods (Food)	***2020***	***2025***	***2030*** *(indicative)*	***2035*** *(indicative)*
Sevenoaks Town	5,200	5,700	6,200	6,500
Swanley	1,100	1,300	1,400	1,600
Edenbridge	800	900	1,000	1,000
Local Service Centres	1,100	1,200	1,200	1,300
Total	8,200	9,100	9,800	10,400

Please note that the figures in this table have been rounded and therefore may not add up correctly. Please refer to the Retail Study report and appendices for more information.

16 Key Recommendations for the Local Plan

a) There have been a number of **Districtwide** recommendations to deliver, improve and retain retail provision within the District including:

- Direct all developments of new retail & town centre uses to town centres as prescribed in the NPPF. Main town centre uses could include retail, leisure entertainment and recreational facilities (including cinemas, nightclubs, bars, restaurants, health and fitness centres), arts, culture and tourism developments (NPPF Annex 2);

- Introduce a local impact assessment threshold of 500 sq. m for retail developments within the District to ensure town and neighbourhood centre viability;

- Focus new non-food development in Sevenoaks and Swanley town centres; and

- No out-of-centre allocations and resist open A1 use outside of defined centres.

b) The Study makes a number of **Sevenoaks Town** recommendations that could be considered as part of the new Local Plan:

- Focus on the provision of non-food floor space, but recognise that there is no requirement for additional convenience goods floorspace;

- Develop robust frontage policies to ensure active shopping frontages, while developing other town centre uses in secondary areas (i.e. leisure);

- Enhance the linkages with tourist attractions and the town centre; and

- Continued investment in the town's public realm and environment.

c) The Study makes a number of recommendations for **Swanley** including:

- Support proposals that could regenerate the town centre;

- Develop robust frontage policies to ensure active shopping frontages, while developing other town centre uses in secondary areas (i.e. leisure); and

- Improve the environmental quality and public realm of the town centre.

d) Recommendations for **Edenbridge** include:

- The role and function of Edenbridge as a rural service centre should be protected and enhanced over the new Local Plan period;

- The day to day shopping needs of the town should be maintained through robust primary frontage policies; and

- A qualitative need for additional supermarket provision should be provided in the town centre, at an appropriate scale and location.

e) A number of recommendations have been drawn for the District's **Neighbourhood Centres**, which play a important role for local communities:

- Protect the function and role that the local service centres provide to local communities;
- The day to day shopping needs of the town are maintained, where possible;
- Look to enhancing the unique selling points of local centres to ensure viable centres to meet the requirements of local communities.

Presentation of Findings

17 The draft report and findings were circulated to the Planning Portfolio Holder and the Economic and Community Portfolio Holder and their deputies the week commencing 15th August.

18 A briefing was held on 23rd August by GVA Bilfinger at the Council Offices to discuss the outcomes of the Retail Study, the data used and any questions/issues that had arisen for Members and Officers. Both the Planning, and Economic and Community Development Portfolio Holders and deputies were invited. Both Portfolio Holders were in attendance for the briefing. Members were optimistic by the findings of the study but sought further clarification with regards to the calculated need for comparison and convenience good floorspace and the data used. Members also asked that the study examines the impact of leisure use and "coffee culture" has upon town centres.

Next Steps

19 The Retail Study will be used to inform and develop local planning policies which are appropriate and proportionate for the District's town and neighbourhood centres within the emerging Local Plan. This will be considered in accordance with other evidence gathered by the Council as well as ensuring that any policy and guidance is consistent with the NPPF and Planning Practice Guidance.

Other Options Considered and/or Rejected

Members may wish to consider the option not to endorse an up-to-date Retail Study for the purposes of the new Local Plan. It should be noted that, if a sound evidence base is not produced for the purposes of the new Local Plan, the soundness of the Local Plan could be compromised at public examination.

Key Implications

<u>Financial</u>

The Retail Study is funded through the LDF budget.

Legal Implications and Risk Assessment Statement.

There are no legal implications as a result of this report.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

The Council is currently preparing its new Local Plan, following the revision of the District's housing need for the period, up to 2035. As such, the Council is required to update its evidence base to ensure that it has local planning policy which is consistent with the NPPF. The Retail Study is an evidence base which will be used by the Council to inform and develop its local planning policies for town and neighbourhood centres. GVA Bilfinger was appointed by the Council to undertake a new Retail Study, which updates the previous studies from 2007 and 2009 respectively. The calculated need for both comparison and convenience goods floorspace is calculated on the estimated population and spend per head within the study's survey area. The figures presented in the Study's final report should be treated as indicative up to 2035, as market requirements and viability will have an effect on retail floorspace delivery. In addition, the scale and distribution of retail floorspace will be tested against additional evidence gathered by the Council, before public consultation and submission to the Government's Planning Inspectorate. This report highlights the findings of the Retail Study and the full study is attached at Appendix A to D.

Appendices

Appendix A – Sevenoaks District Retail Study (2016): Volume 1 Main Report

Appendix B – Sevenoaks District Retail Study (2016): Volume 2 Plans and Appendices

Appendix C – Sevenoaks District Retail Study (2016): Volume 3 Household Survey Results (NEMS Market Research) [Not printed on website only]

Appendix D – Sevenoaks District Retail Study (2016): Volume 4 In Centre Survey Results (NEMS Market Research) [Not printed on website only]

Background Papers:

Sevenoaks Local Development Scheme (LDS) August 2016

National Planning Policy Framework (NPPF) Paragraphs 23 to 27

Local Plans Planning Practice Guidance Para. 8

NPPF Paragraph 47

NPPF Paragraph 158

NPPF Annex 2 Glossary

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