



Retail Impact Assessment Thresholds - Review

Staffordshire Moorlands District Council

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For and on behalf of GVA Grimley Limited

1. Introduction

1.1 This report has been prepared by GVA in response to an instruction by Staffordshire Moorlands District Council (hereafter "SMDC") to provide advice on setting an appropriate floorspace threshold at which the impact of proposals for retail and other town centre uses on edge/out-of-centre or non-allocated sites should be assessed.

1.2 The findings of this review are intended to inform SMDC's preparation of the emerging Staffordshire Moorlands Local Plan, namely Policy TCR3, such that it is robustly evidenced and sound for the purposes of the NPPF¹. This will determine whether the advice set out within the Quantitative Retail Study, which was prepared jointly for SMDC and High Peak Borough Council in 2013, remains up-to-date.

1.3 The objectives of this review are as follows:

- Provide an update on national and local planning policy with regard to town centre health and impact considerations;
- Provide an overview of current and forecast trends relating to convenience and comparison goods shopping;
- Provide an updated health check of the District's three market towns of Biddulph, Cheadle and Leek;
- Update the capacity position for retailing within the District since that identified in 2013²; and
- Draw together the findings of the above in establishing an appropriate impact threshold for the District.

1.4 The remainder of this document is structured as follows:

- **Section 2** provides an overview of the planning policy context, including relevant development plan and evidence-base documents whose findings and guidance provide a basis upon which to assess town centre health;
- **Section 3** establishes current and forecast retail trends which are expected to influence how the type and quantum of uses within the District's town centres is expected to evolve;
- **Section 4** provides an update on the health of Biddulph, Cheadle and Leek town centres, informed by baseline data and observational visits, in order to ascertain current levels of vitality and viability against the indicators set out by the NPPG³;
- **Section 5** provides an up-to-date assessment of convenience and comparison goods retail capacity for the emerging plan period, informed by current baseline and forecast data on population and per capita expenditure generated by the District's residents; and

¹ National Planning Policy Framework, March 2012, paragraph 182

² Quantitative Retail Study Update, October 2013

³ National Planning Practice Guidance, March 2014, paragraph 005 (Reference ID: 2b-005-20140306)

- **Section 6** draws together the evidence presented by the preceding sections to provide our advice and recommendations for setting an appropriate floorspace threshold against which applications for town centre uses on edge / out-of-centre or non-allocated sites will require a Retail Impact Assessment.

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2. Planning Policy Context

2.1 An overview of relevant national planning policy and guidance, adopted and emerging development plan policy, and information provided through key evidence-based documents is outlined below. This provides a basis upon which the performance of Biddulph, Cheadle and Leek town centres has been assessed, as a principal consideration in determining an appropriate retail impact threshold for the District.

National Planning Policy

2.2 Section 2 of the National Planning Policy Framework (NPPF), published in March 2012, seeks to ensure the vitality of town centres. In particular, planning policies should be positive, promote a competitive environment within town centres, and make provision for the management and growth of such centres over the plan period⁴. In particular, local plans should:

- Recognise town centres as the heart of their communities and pursue policies to support their vitality and viability;
- Define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages, and set policies that make clear which uses will be permitted in such locations;
- Promote competitive town centres that provide customer choice and a diverse retail offer, and which reflect the individuality of town centres;
- Retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- Allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of need to expand town centres to ensure a supply of sufficient sites;
- Allocate appropriate edge-of-centre sites for main town centre uses that are well-connected to a town centre where suitable and viable in-centre sites are not available;
- Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres; and
- Where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.3 In order to help protect the vitality and viability of town centres, the NPPF sets out how planning applications should be considered.

⁴ National Planning Policy Framework, paragraph 23

2.4 Paragraph 24 requires that:

"Local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date Local Plan..."

2.5 In the context of assessing planning applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, paragraph 26 of the NPPF stipulates that:

"...local planning authorities should require an impact assessment if the development is over a proportionate, locally set threshold (if there is not locally set threshold, the default threshold is 2,500 m²)."

National Planning Practice Guidance

2.6 The National Planning Practice Guidance (NPPG) was published in March 2014 and is intended to complement and guide the interpretation of policies set out in the NPPF.

2.7 In the context of assessing town centre health, paragraph 005 (Reference ID: 2b-005-20140306) sets out a number of indicators which should be considered:

- Diversity of uses;
- Proportion of vacant street-level property;
- Commercial yields on non-domestic property;
- Customers' views and behaviour;
- Retailer representation and intentions to change representation;
- Commercial rents;
- Pedestrian flows;
- Accessibility;
- Perception of safety and occurrence of crime; and
- State of town centre environmental quality.

2.8 In the context of setting a locally appropriate threshold for the assessment of impact, paragraph 016 (Reference ID: 2b-016-20140306) emphasises the need to consider the:

- Scale of proposals relative to town centres;
- Existing viability and vitality of town centres;
- Cumulative effects of recent developments;
- Whether local town centres are vulnerable;
- Likely effects of development on any town centre strategy; and
- Impact on any other planned investment.

Development Plan

2.9 The development plan for the District is currently comprised of the **Core Strategy** (adopted 2014), the Biddulph Town Centre Area Action Plan (AAP) (adopted 2007), the Staffordshire Moorlands Local Plan 1998

Proposals Maps, and the “saved” policies of Staffordshire County Council’s Minerals and Waste Local Plans (respectively adopted in 1999 and 2003)⁵.

- 2.10 **Policy TCR1** of the Core Strategy sets out how the town centres of Leek and Cheadle will be protected and enhanced through appropriate development. Development proposals relating to Biddulph town centre are to be assessed against the relevant policies of the Biddulph Town Centre AAP.
- 2.11 **Policy TCR2** establishes a locally-set impact threshold and requires that retail proposals of 500m² gross or above will not be permitted outside town centres in order to protect the vitality and viability of the town centres, unless such proposals can be demonstrated to be acceptable under national policy.
- 2.12 The **Biddulph Town Centre AAP** sets out a number of objectives which are conducive to ensuring its vitality and viability. In particular, it seeks to achieve a scale and mix of development within the town centre which is compatible with the Biddulph’s catchment and role in the regional hierarchy, and supports a full range of local retail, service and community uses to encourage linked trips.

Emerging Development Plan

- 2.13 In accordance with advice set out by the Inspector of the Core Strategy, SMDC has embarked on an early review of the development plan and is in the midst of preparing the **Staffordshire Moorlands Local Plan**; this will encompass both strategic and development management policies, and cover the period between 2016 and 2031. Upon its adoption, the Local Plan will replace the policies of the Core Strategy and Biddulph Town Centre AAP.
- 2.14 SMDC consulted on the Preferred Options stage of the draft Local Plan between July and September 2017. **Policy TCR3** deals specifically with proposals for retail and other town centre uses on sites outside of the town centres. For the purposes of this review, the second paragraph of the policy, as currently drafted, is relevant and states that:

“...An Impact Assessment will be required on proposals for town centre uses of 200m² or more (net sales for A1) located outside of the town centres and not in accordance with the Local Plan...”

- 2.15 The proposed floorspace threshold (based on net sales area) identified by Policy TCR3 is informed by advice set out in GVA’s Quantitative Retail Study Update, whose findings are outlined below.

Evidence Base

- 2.16 The key evidence-based document underpinning the retail and town centre related policies of the draft Local Plan is the **Quantitative Retail Study Update**, published in October 2013. The Study comprehensively assessed the capacity for additional convenience and comparison retail provision across the Staffordshire Moorlands and High Peak administrative areas during the period up to 2031.
- 2.17 The Study was informed by the findings of a new household survey which was commissioned in order to understand shopping patterns within the area, together with the latest baseline and forecast population and

⁵ 1998 Local Plan Proposals Maps retained for decision-making purposes in the context of defined development boundaries and primary / secondary shopping frontages.

per capita expenditure data published by Experian at that time⁶. The Study's findings were also informed by known planned / committed development at that time, and qualitative considerations arising from town centre healthchecks, in particular those undertaken for Biddulph, Cheadle and Leek.

2.18 In respect of Staffordshire Moorlands' town centres, the Study found that:

- Biddulph town centre was relatively viable; the opening of the Sainsbury's store development had improved the convenience retail offer following the closure of the Somerfield and Co-op stores, whilst the proportion of comparison retailers was generally in line with the national average, with retailers tending to occupy larger floorspace units. The number of vacant units was also generally in line with that nationally, albeit these tended to be smaller units.
- Cheadle town centre was found to be vital and viable; both the number of convenience units and floorspace was significantly above the national average, whilst small-scale independents tended to dominate the comparison retail offer, owing to limitations in general unit size which may otherwise attract increased representation by national multiples. The number of vacant units was in line with the national average, and tended to be those with relatively small floorspace.
- Leek town centre was found to be vital and viable; whilst there were fewer convenience retailers present within the centre compared with the national average (principally comprising small-scale independents), both the number of units and quantum of floorspace for comparison retailing was significantly above that nationally. In particular, the strength of the town centre's retail offer was underpinned by a large proportion of independents, including those specialising in antiques. The vacancy level was tangibly below the national average.
- There were negligible levels of capacity derived from population and expenditure growth (with existing market shares remaining constant) which were insufficient to support any substantive convenience retail development in Biddulph, Cheadle and Leek⁷. The capacity identified at Leek was cancelled out until 2023 by a proposed extension of the Co-op store at Buxton Road⁸.
- There was limited capacity for additional comparison goods retail development within Biddulph, Cheadle and Leek within the early part of the plan period (e.g. 2018 – 2023). Increased capacity was identified towards the latter part of the plan period (e.g. 2031), as a result of increased population and per capita expenditure growth with market shares remaining constant⁹. The identified capacity at Leek was cancelled out until 2031 by commitments, namely a committed retail warehouse development on the Churnet Works site¹⁰.
- In respect of convenience goods retailing, there was no requirement for SMDC to proactively plan for additional development within Cheadle and Leek. In respect of Biddulph, it was recommended that

⁶ Experian Summary Demographics / Retail Planner Briefing Note 10.1, September 2012

⁷ Biddulph: c. 60 m² gross at 2018; c. 155 m² at 2023; and c. 305 m² at 2031
Cheadle: c. 80 m² gross at 2018; c. 200 m² at 2023; and c. 405 m² at 2031
Leek: c. 185 m² gross at 2018; c. 470 m² at 2023; and c. 940 m² at 2031

⁸ Store now closed

⁹ Biddulph: c. 790 m² gross at 2018; c. 2,085 m² at 2023; and c. 4,315 m² at 2031
Cheadle: c. 285 m² gross at 2018; c. 615 m² at 2023; and 1,275 m² at 2031
Leek: c. 875 m² gross at 2018; 2,315 m² at 2023; and 4,785 m² at 2031

¹⁰ Planning permission APP/08/01547/FUL_MJ (scheme not implemented and planning permission now time-expired)

SMDC address a qualitative deficiency in the existing retail offer by proactively identifying a sequentially preferable site for the accommodation of a deep discount foodstore.

- In respect of comparison retailing, the Study concluded that there was no overriding requirement for SMDC to proactively plan for new development over the plan period. This was subject to the position being monitored, particularly during the latter stage (e.g. 2023 – 2031).

2.19 In drawing together the conclusions of GVA's assessment, the Study recommended that SMDC (and High Peak Borough Council) adopt a minimum local floorspace threshold of 200 m² for the purposes of requiring impact assessments to accompany relevant planning applications¹¹. It was considered that adopting a threshold at this level would be appropriate, particularly given the size of existing units within the town centres and the need to promote re-occupation of vacant floorspace.

¹¹ Quantitative Retail Study Update, paragraph 13.8

3. Retail Trends

- 3.1 To aid SMDC's understanding of the potential for new retailing and supporting leisure uses within the District's town centres, we have undertaken a review of the current market and social trends which are influencing the retail sector. Our review draws on published data sources, including research by Experian and Verdict.
- 3.2 This section also provides a brief analysis of relevant government research and town centre strategies which have come forward over recent years, partly in response to the retail trends identified, to promote a consistent policy objective which seeks to strengthen defined centres.

Economic Outlook

- 3.3 Experian has identified, through Retail Planner Briefing Note 14 (published in November 2016), that the UK economic recovery has continued into 2016, albeit with some moderation in the pace of the upturn since 2014 (GDP growth being closer to 2% in 2015 and 2016, as opposed to 2.9% in 2014). It highlights that the recovery is increasingly reliant upon consumer spending, with investment growth slowing.
- 3.4 Moving forward, Experian raises caution as a result of uncertainty following the UK's referendum decision in June 2016 to leave the European Union ('Brexit'). It expects higher inflation and slower employment growth over the course of 2017, which will take its toll on consumer incomes and spending. On this basis, Experian expects GDP growth to slow to 1-1.5% over 2017 and 2018.
- 3.5 Whilst Experian's forecasts raise the spectre of less spending on the High Street, it should be borne in mind that no forecast is wholly reliable, as witnessed by the resilience of the UK economy borne out in the GDP figures for Q3 and Q4 of 2016. This saw the economy expand by 0.5% and 0.6% respectively, confounding fears by many economists of a recession.
- 3.6 Experian confirms that retail sales volume growth has also been sustained, at almost 3% in 2015 and 2016. This is attributed to sustained real household disposable income growth of 3-3.55% since 2015, and the continued expansion of consumer credit. Notwithstanding this, retail sales remain depressed in value terms due to heavy discounting.

Population Change

- 3.7 The rate at which the UK population is growing is accelerating. Between 1971 and 1991, it increased by just over 0.1% per annum, compared with almost 0.5% per annum in the following 20-year period. This rate of growth is set to increase further still in the period up to 2023, equating to some 0.7% growth per annum.
- 3.8 Whilst population growth will vary dependent on region, Staffordshire is expected to see an increase of 1.7% between 2016 and 2031, equating to an additional 14,208 people¹².
- 3.9 Advances in healthcare and medicine mean that people are living much longer. It will therefore be increasingly important for local authorities to ensure that the needs of older consumers are adequately met, with suitable facilities provided in the right locations.

¹² ONS 2014-based Subnational Population Projections

Retail Expenditure Growth

- 3.10 Expenditure per head on comparison goods is expected to grow at a much higher rate than convenience goods spending over the next 10-year period. Whilst the latter is projected to see negative growth of -0.2% and -0.9% in 2017 and 2018, with growth of 0.1% returning by 2024, spending on comparison goods is expected to see growth averaging 6.8% between 2017 and 2027. However, compared with the peak of 7.2% growth which was achieved at 2014, and growth of 3.3% in 2016, this reflects a more cautious approach in light of Brexit.

Online Spending

- 3.11 The popularity of online retailing grew rapidly between 2008 and 2012, with most retailers now having an online presence. Online sales growth is expected to continue to outpace the rate of growth from retail 'bricks and mortar' stores.
- 3.12 Sales made online accounted for 11.7% of all retail transactions made in mid-2016, representing some £48.9bn at current prices. Rapid growth is expected to continue until 2022, buoyed by the use of 'smartphone' technology and other platforms such as interactive TV shopping. Total spending done outside of physical stores is expected to account for some 18.6% of all retail spending by 2022¹³.
- 3.13 With deductions made for online and other purchases not made in stores, the average available spend per head in the Staffordshire Moorlands area¹⁴ is £2,396 for convenience goods and £3,493 for comparison goods per annum¹⁵. This equates to a total of £230.09m for convenience goods and £328.96m for comparison goods at 2017.

Internet Growth and Multichannel Retailing

- 3.14 The online shopping population is reaching saturation, with over 40m online shoppers in the UK expected in 2017¹⁶. Future growth in the market is likely to come from increased spend driven by new technology and improved delivery options. Changes in technology are driving sales with the expansion of tablet devices which provide a better browsing experience.
- 3.15 Click and collect is forecast to be one of the most significant drivers of growth, with a rise of 62.7% in click and collect purchases expected between 2013 and 2018. The service provides physical retailers with an important benefit over pure internet operators and creates opportunities for making additional purchases when customers collect orders from stores.
- 3.16 The growth in online sales has implications for bricks and mortar stores as it potentially reduces the need for so many outlets. However, trends indicate that online and in-store shopping channels are becoming assimilated as shoppers increasingly research items online or in stores before making purchases. For example,

¹³ Experian

¹⁴ Quantitative Retail Study Update, Appendix 1, Zones 6 – 11

¹⁵ Experian Micromarketer (2011 Prices)

¹⁶ Verdict

61% of shoppers were found to have researched goods online before purchasing in-store during 2012, whilst 38% researched in-store and then bought online¹⁷.

- 3.17 These trends, combined with the importance of 'click and collect' highlight that physical stores will still have a significant role in the multichannel shopping environment, although their size and format will differ from traditional stores. The advantages of physical stores, in terms of the shopping experience, service and immediacy of products being available to purchase and take home, will see a network of key stores remain a fundamental component of retailers' strategies to provide an integrated multichannel retail proposition.

Changing Retailer Requirements

- 3.18 The retail sector has undergone significant changes over the last decade, which has fundamentally altered how, where and when people shop. This has had major implications for retailers' space requirements which, combined with the effects of the 2008 economic downturn, has changed the retail landscape of Britain's town centres.
- 3.19 During the last recession, retailers' profit margins were squeezed, whilst other costs continued to rise. The subsequent demise of a number of well-known national multiples, such as Blockbuster and Woolworths, as well as independent retailers, together with those retailers who have shrunk their store portfolios, has meant increasing levels of vacant floorspace in town centres.
- 3.20 It is expected that, given weaker economic growth and ongoing uncertainty surrounding Brexit, that many retailers will remain cautious about store expansion. This has the potential to impact upon the scale of any new retail-led development in Biddulph, Cheadle and Leek town centres.
- 3.21 The growth of the internet means that retailers no longer need stores in every town to achieve national coverage. Many retailers are therefore focusing on the provision of large flagship stores in strategic locations, which are supported by smaller satellite stores and transactional websites. The larger flagship stores accommodate a full product range, whilst smaller stores stock a more focused and select range.
- 3.22 The advantages to retailers in adopting the above strategy include lower property costs, more efficient logistics and being able to open stores where there is a high level of demand despite there being space restrictions.
- 3.23 The polarisation of retailing will result in dominant centres which continue to attract key retailers, where suitable floorspace is available. This will allow them to compete with larger units in out-of-centre retail locations. Whilst larger town centres such as Leek will, to a certain degree, be more resilient to such change, smaller centres such as Biddulph and Cheadle will be more at risk and could find themselves struggling to attract investment.

Food and Grocery Retail Trends

- 3.24 The 'Big Four' supermarkets continue to dominate the market and collectively account for 60% of the total convenience goods market. With vast store networks and online offers, their coverage is reaching peak levels.

¹⁷ Verdict

- 3.25 However, the onslaught of weaker spending on convenience goods and the transfer of trade online means that strategies to maintain / grow market share have moved away from physical expansion, towards redevelopment and refurbishment of existing stores. In larger-format stores, such as those operated by Tesco, space is increasingly being sub-let to restaurants, gyms and children's play centres.
- 3.26 The development of smaller store formats for top-up shopping has become increasingly popular as consumers seek to reduce waste by moving from weekly shops to more frequent top-up shops, or to avoid high fuel prices associated with travelling long distances. In responding to this demand, the main operators have expanded their smaller concept stores.
- 3.27 More recently, there is anecdotal evidence to suggest that the small convenience store market has become saturated. There was a 21% increase in the number of such stores opened by the main operators between 2010 and 2015, taking the total to 16,426 across the UK. However, the number of new store openings has significantly reduced in recent years, with 300 new stores in 2015, compared with 1,000 in 2012¹⁸.
- 3.28 Indications of market saturation also arise from the decision of Morrisons and Asda to abandon the roll-out of small stores, with the former notably closing a number of its M Local outlets in 2016. There is considered to be more risk associated with the opening of small stores, insofar that the product range might not be aligned with what the local community desires, and the potential difficulties in servicing stores in busy high street locations.
- 3.29 Notwithstanding the popularity of smaller stores, convenience shopping patterns suggest that people are continuing to use the large supermarkets to purchase non-perishable foods and toiletries, whilst also shopping at the limited assortment discounters to purchase bargains.
- 3.30 Interestingly, the growth of the discounters has significantly outpaced that of the supermarkets, with new stores opening at a rate of 52% to the latter's 33% between 2010 and 2015¹⁹. The growth in market share of the discounters is set to continue, with significant planned physical expansion by both Aldi and Lidl. Both have succeeded in attracting customers who are looking to trade down price but not quality.
- 3.31 Food retailers are also continuing to develop online offers to meet increasing consumer demands for convenient food shopping, much of which is still fulfilled through existing store networks. Click and collect services are expanding into the grocery sector with some retailers developing 'drive-thru' collection points for picking up online orders.

Comparison Goods Shopping Trends

- 3.32 In 2017, Verdict estimates that the clothing and footwear sector will represent 15.9% of total retail spend (a marginal increase from 15.2% in 2012). The proportion of clothing sales transacted online is currently around 12.4% and is expected to rise to just over 20% during 2017, as browsing services continue to improve.
- 3.33 Low levels of consumer confidence in addition to high prices are expected to keep clothing and footwear sales volumes low. Whilst premium and luxury brands will continue to maintain their consumer appeal, growth from value retailers will become more subdued as they seek to ensure their profitability.

¹⁸ Local Data Company 2016

¹⁹ Local Data Company 2016

- 3.34 The electrical goods sector suffered following the last recession, with households cutting back on 'big ticket' items and making more purchases online. Indeed since 2008, the proportion of spending on electrical goods which takes place online has more than doubled to 43%. Casualties in the sector include Comet and Jessops, along with Best Buy, who have exited the UK market.
- 3.35 Growth remains strong, however, for smaller, high-tech items such as tablets and premium electrical goods. There is demand for 'value' ranges, much of which has been captured by the supermarkets. Over the medium-term, sales of 'big ticket' items are expected to remain depressed.
- 3.36 Growth in the more traditional part of the homewares market (such as furniture and floorcoverings) is heavily reliant on the housing market and has been weak in recent years. Growth is expected to remain subdued in the short-term, but will improve as the housing market strengthens. The softer end of the homewares market (i.e. smaller more decorative items) has been more resilient as consumers look at inexpensive ways of updating their homes.
- 3.37 In terms of music, video and books, technology is removing the need for physical stores as consumers can now download/stream music and films directly. As a result, the music and video sector has shrunk significantly with negative growth in retail spending. It is predicted that online sales will account for 90% of this market in 2017²⁰.
- 3.38 The book sector has been heavily influenced by the growth of e-reader devices (e.g. Kindle), with rapid growth in the digital market in 2011/12. However, e-book sales have been falling, with those for the UK's 5 biggest publishers declining by -2.4% in 2015²¹. This suggests that the market has matured and there is a co-existence with physical books, as opposed to a digital takeover which was previously predicted.
- 3.39 Notwithstanding the above, the proportion of books (physical and e-reader) purchased online continued to grow, and is expected to account for more than 70% of the market by 2018²².

The Future Role of Town Centres and Implications for Staffordshire Moorlands

- 3.40 The town centre has been the main shopping channel for centuries. However, with forecast weaker expenditure growth and the loss of trade to out-of-centre facilities and online, its future role is expected to change significantly.
- 3.41 Emerging trends suggest that many centres will be used increasingly for leisure and social activities as well as traditional retailing, with more bars, restaurants, food outlets and community spaces opening in vacant units.
- 3.42 As retailers improve their multi-channel offer, the expectation is that town centre stores will increasingly be used as showrooms to collect online orders, in addition to in-store kiosks for customers to make online purchases. Town centres will need to capitalise on the opportunities that click and collect services offer.
- 3.43 Where overall demand for retail floorspace stabilises or declines, it is anticipated that more secondary and tertiary space, which suffers from lower levels of footfall, will increasingly be converted into alternative service and residential uses. Whilst the overall retail offer of Leek is considered to be stable, the smaller town

²⁰ Verdict 2016

²¹ The Bookseller (June 2016)

²² Verdict 2016

centres of Biddulph and Cheadle could be more susceptible to a potential future decline in Class A1 retail uses. Enhancing the non-retail offer of the District's town centres will help to drive footfall and increase dwell-time.

- 3.44 Any future redevelopment of suitable sites in and around the periphery of Leek town centre provides an opportunity to expand its leisure offer, with the potential for more food/drink outlets. Whilst there has traditionally been a resistance by local planning authorities to changes of use away from Class A1 in primary shopping areas, many such authorities and other stakeholders are now recognising the benefits of a carefully controlled transition in favour of food/drink and leisure uses which operate during both the daytime and evening.
- 3.45 To ensure that all of the District's town centres maintain their viability, they must continue to provide an attractive shopping and leisure experience that cannot be matched by the internet. Ensuring that the centres are able to maintain a good quality and, where appropriate, consolidated retail offer will be driven by providing the right conditions for independent businesses to flourish, including the retention of existing car parking (free of charge where possible) in accessible locations, and maintaining a high quality physical environment.
- 3.46 Moreover, alternative uses brought about through redevelopment should be complementary to the retail offer of the centres, to encourage footfall and increased activity along the principal High Street areas. This may include development which helps to increase the residential population of the centres, including the retention of a local workforce to support shops and other businesses.

4. Town Centres' Health Review

- 4.1 This section provides an updated review of the health of Biddulph, Cheadle and Leek town centres following that which was undertaken in respect of the 2013 Study. This has been undertaken by compiling an up-to-date health check of the centres and measuring their performance against the indicators set out in the NPPG.
- 4.2 In undertaking the assessment, we have utilised a variety of data sources in order to understand the vitality and viability of the town centres. Key to this process are the observations we have made on the ground; visits to all three centres were undertaken on Saturday 11th November 2017 – an optimum time for shopping and leisure activity with good weather conditions – to ascertain general trading performance, levels of footfall, environmental quality and verify the mix of occupiers and uses present.

Biddulph

- 4.3 Biddulph is a traditional linear centre which extends for approximately 0.25 miles along the High Street. The opening of the large Sainsbury's store between Meadows Way and the northern end of the High Street in 2010 has served to anchor the centre and provides an important main-food shopping role. This remains the only large foodstore within the town centre, following the closure of other stores formerly traded by the Co-op, Somerfield and Kwik Save.
- 4.4 Notwithstanding the presence of the Sainsbury's and a large B&M store at Wharf Road, there are no major national multiple retailers represented within the town centre. As such, the majority of retailers and other A1 service providers are either independents or regional businesses trading from a small number of outlets. This position remains consistent with that identified by the 2013 Study; there has been only a negligible change in the type and mix of uses represented, as demonstrated in **Table 4.1**.

Table 4.1: Type and Mix of Uses in Biddulph Town Centre

Use	2013		2017	
	No.	%	No.	%
A1 Convenience	8	9%	9	9%
A1 Comparison	25	27%	25	24%
A1 Other	16	17%	16	15%
A2	13	14%	11	11%
A3/A4/A5	16	17%	20	19%
Sui Generis / Other	4	4%	12	12%
Vacant	11	12%	11	11%
Total	93	100%	104*	100%

*Increased total number expected to result from an extended survey area compared with that undertaken at 2013

- 4.5 As reflected nationally, the number of sui generis uses, namely beauty-based businesses, has increased within the town centre, whilst there has been a decline in Class A2 and A3/A4/A5 uses. The former includes the closure of the Natwest branch in Biddulph, which remained vacant at the time of visiting. This is symptomatic of national changes in banking services and therefore not an issue specific to Biddulph.

- 4.6 In addition to the above, the loss of green grocery businesses from the town centre since 2013 is also reflective of changing shopping patterns nationally. Reassuringly, the arrival of other convenience retail businesses within the centre (e.g. Celebration Cakes and Forever Sunshine) demonstrates how it has responded positively to changing shopping habits by embracing niche-good markets. This is similarly represented in the recent arrival of the On Tap Café Bar in the High Street, specialising in craft beers and gin tasting – a market which has seen significant growth since 2013.
- 4.7 Overall, the proportion of convenience retailers is in line with the national average, however, for comparison retailing it is significantly lower than that nationally (39%). This may be attributed to the lack of representation by national multiples and appropriately sized units, and the centre’s increasing role in providing retail services and a localised food and beverage offer.
- 4.8 The proportion of vacant units, at 11%, is marginally below the national average of 12%²³, with the number remaining consistent with that reported in 2013. Notably, however, there are four retail units forming part of the Sainsbury’s development frontage on the High Street which have remained vacant since 2013. These are larger sized units of approximately 160 m² gross (thereby capable of meeting modern retailer requirements) and benefit from an accessible and prominent location, with good levels of footfall associated with the Sainsbury’s store.
- 4.9 The average size of units within Biddulph town centre set out in Table 4.2 below.

Table 4.2: Average Unit Size – Biddulph Town Centre

Use	Gross (sq m)	Net (sq m)
A1 Convenience	81*	57
A1 Comparison	95*	67
Other	68	48
Average	81	57

*Average excludes Sainsbury’s and B&M. Figures derived from Experian GOAD 2017. Net floorspace estimated at 70% of the gross area

- 4.10 Given the traditional characteristics of Biddulph town centre, in particular the concentration of small shop units along much of its High Street frontages, the floorspace figures identified above are testament to the centre’s strong independent retail and service offer, and its more localised shopping catchment. The potential for expansion of the town centre’s retail offer is constrained by the surrounding residential areas and, notwithstanding the position on retail capacity (see Section 5), there is unlikely to be an opportunity for substantive change in the composition of retail units through new development.
- 4.11 At the time of visiting the centre, footfall levels were steady and greatest along the section of the High Street between the junctions of Station Road and Well Street. The Sainsbury’s store appeared to be very busy, with the majority of checkouts in use and the car park being largely occupied with limited available spaces.
- 4.12 The environmental quality of the town centre is generally considered to be good; high quality public realm was especially evident in the vicinity of the town hall, whilst attractive planters featured along the High Street as part of the ‘Biddulph in Bloom’ initiative. Whilst the closure of the former Top To Toe store detracts slightly

²³ Experian GOAD 2017

from the appearance of the High Street at its southern end, the general quality of buildings, frontage and signage is considered to be good.

Cheadle

- 4.13 Cheadle is broadly comparable in terms of size, role and function with Biddulph and comprises a traditional, linear town centre characterised by predominantly Victorian buildings along its High Street. At the heart of the centre is Market Place; this includes the restored Market Hall which is occupied three days per week by Cheadle Market. A number of market stalls were observed at the time of visiting.
- 4.14 The town centre has two large foodstores – Morrisons and Asda – both located to the rear of the High Street and accessed from Well Street. Both serve a main-food and top-up shopping role; the Morrisons in particular was identified by the 2013 Study as having significantly increased the retention of main-food shopping expenditure generated by residents within the Cheadle catchment area. Its market share is expected to have remained significantly greater than that of Asda's; trading of the latter was observed to be fairly quiet and the car park largely empty when visiting on a Saturday morning.
- 4.15 The number of national multiple retailers represented within the centre is low, although greater than that at Biddulph, and includes a WHSmith, Boots pharmacy, Superdrug and Card Factory. Whilst the town centre's retail offer is generally geared to the value and mid-market consumer segments, it does include a high proportion of independent retailers offering local produce and boutique goods. Examples include Cheadle Traditional Butchers, Country Interiors and Lady Derwent Homewares.
- 4.16 Since 2013, the number of convenience and comparison retailers represented within Cheadle town centre has remained consistent, however, as with Biddulph, there has been an increase in sui generis businesses which include those specialising in beauty treatments. Whilst this has not shifted the balance of the town centre towards a more service-orientated offer, it has nonetheless diversified and expanded its role and function. The type and mix of uses within the centre is illustrated in Table 4.3.

Table 4.3: Type and Mix of Uses in Cheadle Town Centre

Use	2013		2017	
	No.	%	No.	%
A1 Convenience	7	6%	8	7%
A1 Comparison	38	33%	38	35%
A1 Other	23	20%	11	10%
A2	10	9%	13	12%
A3/A4/A5	19	17%	19	17%
Sui Generis / Other	2	2%	11	10%
Vacant	15	13%	10	9%
Total	114	100%	110	100%

- 4.17 Both the proportion of convenience and comparison retail uses within the town centre are below the national averages of 10% and 39% respectively. However, in floorspace terms the proportions are more consistent with the national average; this is likely to be representative of a smaller number of units occupying larger premises, particularly in comparison with Biddulph which tends to be characterised by small units.

- 4.18 Whilst the level of vacancy remains slightly below the national average at 2017, this will need to be monitored in view of more recent departures such as Shoe Zone and Natwest (the latter being representative of national trends). The lack of take-up by national multiples which are not currently represented in the centre is not necessarily a cause for concern, given the strength of the independent retail and service offer. However, the presence of such occupiers can help to drive footfall and increase expenditure retention.
- 4.19 The average size of units within the town centre is set out in Table 4.4 below.

Table 4.4: Average Unit Size – Cheadle Town Centre

Use	Gross (sq m)	Net (sq m)
A1 Convenience	134*	94
A1 Comparison	139	97
Other	87	61
Average	120	84

*Average excludes Asda and Morrisons. Figures derived from Experian GOAD 2017. Net floorspace estimated at 70% of the gross area

- 4.20 At the time of visiting (late morning/early afternoon), the town centre appeared to be relatively quiet in terms of footfall and trading of shops and other businesses. The Asda store, whilst slightly disconnected from the High Street, was trading at an average level although its car park was largely empty. By contrast, the larger Morrisons store was trading briskly, with its car park generally well-utilised. This would suggest that its market share of convenience goods expenditure generated within the catchment area has remained significantly higher than that of the Asda store, as identified in the 2013 Study.
- 4.21 The environmental quality of the town centre is generally considered to be very good, with a high level of cleanliness and attractive shop frontages, many of which have been retained. This enhances the character of the town centre and makes for a pleasant experience for shoppers and visitors alike. Notwithstanding this, the prolonged vacancy of units within the Penny Hall building at the northern end of the High Street (and the general poor quality of architecture) slightly detracts from this part of the town centre and could, if aggregated with neighbouring buildings, present a sizable redevelopment opportunity.

Leek

- 4.22 Leek is the largest of the market towns within the District and has a correspondingly larger centre. This is characterised by a number of inter-connecting historic streets, with the principal shopping thoroughfare being Derby Street and Stanley Street. The western end of the town centre includes Market Place, which hosts a varying mix of outdoor stalls with specific themes for certain days (for example there is an antiques market held on Saturdays which was observed at the time of visiting). The area also includes the Butter Market – an indoor complex of stalls offering local produce and other goods.
- 4.23 The eastern end of the town centre is focused around the Nicholson War Memorial – a poignant landmark situated at the junction of the A53, A523 and Derby Street. This area includes the Smithfield Centre – a complex of shops which incorporates a small precinct – in addition to a range of other retail and service use.
- 4.24 The southern part of the town centre includes a large multi-storey car park which is accessed from the A53 via Pickwood Road and which incorporates large, modern retail units which are occupied by Wilko, Home

Bargains, Peacocks and Argos (the latter is due to relocate to the out-of-centre Sainsbury's store at Macclesfield Road).

- 4.25 The town centre has one large foodstore which is traded by Aldi, as a limited assortment discounter, at Haywood Street, in addition to an adjacent Farmfoods store. The Aldi is one of the operator's older-format stores whose location, whilst proximate to the primary shopping areas around Derby Street, feels disconnected due to the lack of a legible route which may otherwise promote better integration and linked trips with the wider town centre.
- 4.26 Aside from Aldi, main-food shopping needs within the Leek catchment area are primarily met by the large Sainsbury's store at Macclesfield Road, Morrisons at Barnfields Close, Asda at Springfield Road, and the Co-op store at West Street. A store formerly traded by the Co-op at Buxton Road was re-occupied by Waitrose in 2016. However, the operator has since closed this store and the site is currently vacant.
- 4.27 Whilst there are a number of national multiples represented within the town centre, those in the clothing and footwear category tend to be geared towards the value market segment. Moreover, national retailers which may otherwise be represented in a town centre of this size are notably absent. This includes clothing and homewares retailers in particular.
- 4.28 Notwithstanding this, Leek's comparison retail offer is distinguished by a high proportion of good quality independent and niche-good retailers. These include boutique clothing stores such as Bo Belles and Delia Metcalfe, and a large number of stores specialising in gifts, homewares and antiques. This is complemented by a range of services and food and beverage businesses, a high concentration of which exists in the eastern part of the town centre, around Sheep Market.
- 4.29 The updated assessment of the town centre identifies a reduction in both the number of convenience and comparison retail businesses, albeit the latter is more marginal. This has been largely offset by increases in other A1 and sui generis uses, and an enlarged food and beverage (Class A3/A4) offer. The mix and type of uses identified within the centre is set out in Table 4.5.

Table 4.5: Type and Mix of Uses in Leek Town Centre

Use	2013		2017	
	No.	%	No.	%
A1 Convenience	20	7%	13	4%
A1 Comparison	131	43%	124	40%
A1 Other	50	16%	55	18%
A2	25	8%	23	8%
A3/A4/A5	48	16%	55	18%
Sui Generis / Other	11	4%	20	7%
Vacant	19	6%	14	5%
Total	304	100%	304	100%

- 4.30 The proportion of convenience retail uses is well below the national average and has, as noted above, declined on 2013 levels. There is scope for additional convenience retailer representation in the form of smaller-format stores principally providing a top-up shopping role. This would help to redress some expenditure which is being directed to the aforementioned out-of-centre stores. Notwithstanding this, it

should be noted that the town centre's convenience goods offer will be enhanced by that available from the markets – an element which is not represented in the physical shop unit numbers.

- 4.31 Whilst the proportion of comparison retail uses has reduced slightly since 2013, it remains in line with the national average. The relocation of the Argos store will provide an opportunity for an additional comparison-focused retailer to move into the town centre, helping to boost expenditure retention.
- 4.32 The vacancy level is less than half the national average and testament to the strength and popularity of the town centre for both local shoppers and visitors, and those coming from further afield. A vibrant range of independent businesses, a number of which have opened since the 2013 survey was undertaken, help to distinguish Leek's offer and underpin its vitality and viability.
- 4.33 The average size of units within the town centre is set out in Table 4.6 below.

Table 4.6: Average Unit Size – Leek Town Centre

Use	Gross (sq m)	Net (sq m)
A1 Convenience	125	88
A1 Comparison	140	98
Other	120	84
Average	128	90

*Figures derived from Experian GOAD 2017. Net floorspace estimated at 70% of the gross area

- 4.34 The average unit sizes identified above are consistent with what would be reasonably expected for a centre such as Leek, owing to its physical composition and historic nature. As such, the proportion of units which may otherwise be suitable for meeting modern retailer requirements will be less than that for similar sized centres elsewhere.
- 4.35 The environmental quality throughout Leek town centre is generally considered to be excellent. A substantial public realm improvement programme has culminated in parts of Derby Street being pedestrianised, with the introduction of planters and other high quality hard and soft landscaping.
- 4.36 The retention of a high proportion of the town centre's historic buildings, with traditional shop frontages well-maintained, and cobbled areas, lends an air of charm to the general environment. Very few buildings are in disrepair or whose appearance may otherwise detract from the general appearance of the town centre.
- 4.37 At the time of visiting (mid to late Saturday afternoon), the town centre was generally bustling with shoppers and visitors, with high concentrations of activity around Market Place and Sheep Market in particular. Shops generally appeared to be trading well, whilst cafes appeared to be very busy with customers sat outside a number of such premises.

Summary

- 4.38 The findings arising from the health checks undertaken indicate that Biddulph, Cheadle and Leek town centres are currently vital and viable. However, the general performance of each centre has remained broadly in line with that identified in the 2013 Study, with both convenience and comparison retail provision remaining static, or in the case of Leek, declining slightly in terms of quantum.

- 4.39 The retail offer in all three centres also remains heavily reliant on independents, with minimal or no take-up of floorspace by national multiples since 2013. Whilst a strong and distinguished independent retail offer is to be welcomed, the absence of national retailers, some of whom will be significant drivers of footfall, means that the centres will be more susceptible to the effects of competing retail offers elsewhere e.g. retail parks and higher-order centres. This can lead to declining market shares as expenditure is directed elsewhere and the propensity for linked trips (which benefit other businesses) is reduced.

5. Retail Capacity Update

- 5.1 The 2013 Study assessed the capacity for additional convenience and comparison retail floorspace for the period between 2013 and 2031. Its findings were predicated on the results of a household survey which comprehensively assessed shopping patterns within the Staffordshire Moorlands and neighbouring High Peak administrative areas. The headline capacity forecasts for Biddulph, Cheadle and Leek are referenced in Section 3 of this review²⁴.
- 5.2 Given the time that has elapsed since the preparation of the 2013 Study, it is considered prudent to re-assess the capacity position for each of the three town centres over the plan period. This will provide an indication of the extent to which the centres could withstand the effects of competing retail development, if such proposals were to emerge on edge/out-of-centre sites.
- 5.3 Whilst utilising the market share information derived by the findings of the 2013 household survey, the baseline and forecast population and per capita expenditure data for the Staffordshire Moorlands study area ('Zones 6 - 11') has been updated using the latest information available from Experian²⁵. This includes making deductions for spend that is not directed to physical stores e.g. online and other purchases referred to as Special Forms of Trading (SFT), and allowances for changes in the efficiency of existing sales floorspace.
- 5.4 The findings in respect of convenience and comparison goods capacity for each of the town centres is set out in the tables below and overleaf. This has been aligned with the emerging plan period (2016 - 2031).

Convenience Goods - Biddulph				
	2016	2018	2023	2031
Overall Survey-Derived Turnover	£26.09	£25.81	£25.85	£26.16
Benchmark Sales from Existing Floorspace	£26.09	£25.96	£25.83	£26.03
Sales Density (£/sq m)	£11,000	£10,945	£10,890	£10,978
Residual Capacity	£0.00	-£0.15	£0.03	£0.13
Capacity for New Floorspace (sq m net)	0	-14	3	12
Capacity for New Floorspace (sq m gross)	0	-19	4	17

²⁴ See Footnotes 6 and 8

²⁵ Experian Retail Planner Summary Demographics provides ONS-derived household and population projections at 2015; Experian Retail Planner Briefing Note 14 (November 2016) provides 'central case' growth forecasts for convenience and comparison expenditure (Figures 1a and 1b), adjusted SFT sales from stores estimates (Appendix 3), and retail sales density data (Figures 3a and 3b)

Comparison Goods - Biddulph	2016	2018	2023	2031
Overall Survey-Derived Turnover	£13.01	£13.20	£15.18	£19.68
Benchmark Sales from Existing Floorspace	£13.01	£13.33	£14.94	£17.78
Sales Density (£/sq m)	£3,500	£3,588	£4,020	£4,785
Residual Capacity	£0.00	-£0.14	£0.24	£1.90
Capacity for New Floorspace (sq m net)	0	-39	60	398
Capacity for New Floorspace (sq m gross)	0	-55	86	568

Convenience Goods - Cheadle	2016	2018	2023	2031
Overall Survey-Derived Turnover	£33.52	£33.12	£33.17	£33.51
Benchmark Sales from Existing Floorspace	£33.52	£33.35	£33.19	£33.45
Sales Density (£/sq m)	£11,000	£10,945	£10,890	£10,978
Residual Capacity	£0.00	-£0.23	-£0.01	£0.06
Capacity for New Floorspace (sq m net)	0	-21	-1	5
Capacity for New Floorspace (sq m gross)	0	-30	-2	8

Comparison Goods - Cheadle	2016	2018	2023	2031
Overall Survey-Derived Turnover	£15.80	£16.01	£17.82	£23.84
Benchmark Sales from Existing Floorspace	£15.80	£16.20	£18.15	£21.60
Sales Density (£/sq m)	£3,500	£3,588	£4,020	£4,785
Residual Capacity	£0.00	-£0.19	-£0.33	£2.24
Capacity for New Floorspace (sq m net)	0	-53	-81	467
Capacity for New Floorspace (sq m gross)	0	-75	-116	668

Convenience Goods - Leek	2016	2018	2023	2031
Overall Survey-Derived Turnover	£79.86	£78.90	£79.01	£79.76
Benchmark Sales from Existing Floorspace	£79.86	£79.46	£79.06	£79.70
Sales Density (£/sq m)	£11,000	£10,945	£10,890	£10,978
Residual Capacity	£0.00	-£0.56	-£0.05	£0.07
Capacity for New Floorspace (sq m net)	0	-51	-4	6
Capacity for New Floorspace (sq m gross)	0	-73	-6	9

Comparison Goods - Leek	2016	2018	2023	2031
Overall Survey-Derived Turnover	£57.51	£58.26	£67.01	£86.66
Benchmark Sales from Existing Floorspace	£57.51	£58.96	£66.06	£78.62
Sales Density (£/sq m)	£3,500	£3,588	£4,020	£4,785
Residual Capacity	£0.00	-£0.70	£0.95	£8.03
Capacity for New Floorspace (sq m net)	0	-195	236	1,679
Capacity for New Floorspace (sq m gross)	0	-279	338	2,399

- 5.5 The capacity analysis shown above for each centre represents a baseline position; commitments formerly identified and taken into account in the capacity scenarios presented in the 2013 Study have not been implemented and are now time-expired. It is understood that there are currently no relevant commitments which should be taken into account during the plan period.
- 5.6 The capacity analysis assumes a starting position of 2016, which is aligned with commencement of the plan period. Therefore the assessment measures the effects of forecast population and expenditure growth within the study area from 2016, as the base year. The data source (Experian) and price base (2011) remains consistent with that utilised by the 2013 Study, to enable a meaningful comparison with the latest figures. The average sales density at which convenience and comparison retail floorspace is expected to trade (e.g. £ per m²) has been updated. This is informed by operator-derived data and judgement.
- 5.7 As demonstrated above, there is insufficient capacity for additional convenience retail floorspace within any of the towns during the plan period. This is attributed to more conservative forecasts provided in respect of population growth, reduced expenditure growth and an increased proportion of spend being taken by online shopping channels, compared with that identified at 2013. Experian currently forecasts negative expenditure growth for convenience goods in 2017 and 2018 (e.g. reduced spending per head) - the effect of which is compounded by year-on-year increases in spend captured by online shopping. This results in the negative capacity figures identified at 2018 and (in the case of Cheadle and Leek) 2023.
- 5.8 In respect of comparison goods, the effects of more conservative population growth, coupled with reduced levels of household spend compared with that forecast at 2013, have similarly reduced capacity during the plan period. Whilst Experian currently estimates modest levels of growth in spend per head for comparison goods (as opposed to the reductions identified at 2017 and 2018 for convenience goods), the effect of increased non-store spending reduces the level of expenditure available to town centre shops.
- 5.9 At 2018, the level of turnover that retailers within each of the town centres should be achieving (taking into account forecast improvements in sales floorspace efficiency), exceeds the increase in expenditure available to them (based on their 2013 market shares). Whilst this remains the case for Biddulph and Cheadle at 2023, the more significant market share of comparison goods shopping had by Leek town centre means that there will be a greater amount of expenditure growth available to its retailers at 2023 and 2031. With deductions for SFT taken into account, there will be a net increase in the total comparison goods turnover for the town centre, which will exceed the level at which its retailers would be expected to trade (e.g. benchmark). This results in the small increase in capacity identified at 2023 and 2031.

- 5.10 There is no instance where there is sufficient capacity to deliver substantive retail development within the District during the plan period. This remains consistent with the findings of the 2013 Study, albeit capacity levels are now further reduced for the reasons cited above. This is important in considering the potential for new development in edge/out-of-centre locations to impact upon the town centres' retailers and other businesses, as without sufficient capacity the effects of trade diversions will be more acutely felt.

6. Setting an Appropriate Impact Threshold

6.1 The findings arising from this review confirm that the proposed impact threshold of **200 m²** (Class A1 net sales floorspace) for the purposes of Policy TCR3 of the emerging Local Plan is appropriate and informed by robust evidence. The rationale for this has specific regard to the NPPG indicators referenced in Section 2 and is set out below:

- The average net size of units within Biddulph, Cheadle and Leek town centres is estimated to be 57m², 84m² and 90m² respectively. In respect of both convenience and comparison retail, the majority of units are relatively small and will be more susceptible to the impact of larger-scale retail development outside of the town centres.
- Development proposals outside of the town centres could provide significantly larger retail units from which a much greater range and quantum of goods could be sold. On the widely recognised principle that *like competes with like*, town centre retailers in the District will be more sensitive to the impacts arising from trade diversion as they would be less able to compete in terms of the size and range of their offer.
- The limited number of retailers, in particular national multiples, which occupy larger units within the District's town centres, means that the extent of potential market share erosion will be greater as a result of trade diversion to larger-scale developments in out-of-centre locations. The presence of such retailers enhances choice for shoppers and can increase the propensity for linked-trip trade generation within town centres. Without this, town centres may be less equipped to compete with out-of-centre retail facilities and will be more vulnerable in impact terms.
- The net sales areas of previous out-of-centre retail proposals within the District, which would have effectively competed on a like-for-like basis, were 490 m² for convenience goods and 2,300 m² for comparison goods²⁶. The quantum of floorspace involved would be much greater than that typically traded by retailers within the town centres, and the increased levels of turnover generated by such floorspace could, if the schemes had been implemented, have led to notable levels of trade diversion.
- Similarly, the net sales floorspace of commitments identified at 2013 in neighbouring High Peak were also all significantly greater than the averages identified within its town centres. This broader picture further indicates the likelihood that any future retail development proposals in out-of-centre locations will constitute units that are significantly greater in scale than those typically existing in the District's town centres and should thus require an appropriate assessment of impact.
- Whilst the town centres are considered to be vital and viable, reduced expenditure growth generated within the respective catchment areas, coupled with the effects of increased online shopping since the forecast position identified at 2013, means that there is insufficient capacity to help reduce or offset the impacts which would arise from potential future retail development in out-of-centre locations. As such, the town centres will be more vulnerable in terms of trade diversion, thus warranting the need for an appropriate assessment of impact for development proposals in less sequentially preferable locations.

²⁶ Convenience net sales area derived from planning permission APP/10/00919/FUL – Co-op Extension, Leek. Comparison net sales area derived from planning permission APP/08/01547/FUL_MJ – Retail Warehouse Units, Churnet Works, Leek

- 6.2 A recommended locally-set impact threshold of 200 m² Class A1 net sales floorspace provides an appropriate mechanism with which to protect the vitality and viability of the District's town centres. The requirement for qualifying proposals to provide evidence around impact should not be onerous; a proportionate approach in terms of the scoping and extent of information required can be applied through pre-application dialogue with applicants.

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