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Consultation Document

Draft Planning Policy Wales Chapter 10 Retail Centre Development

Date of issue: **3 September 2015**

Action required: Responses by **26 November 2015**

Overview

This consultation seeks your views on the Welsh Government's proposed revision of national planning policy in relation to retailing and retail centres.

The draft policy documents are a result of research work undertaken by Genecon in 2014 which made 15 recommendations for the revision of planning policy in Wales on retail and town centres.

Chapter 10 of Planning Policy Wales (PPW) has been revised. TAN4 has been rewritten to reflect the changes that have occurred to the retail sector since the first document was published in 1996.

How to respond

The closing date for the consultation is 26 November 2015. You can reply in any of the following ways.

Email:

Please complete the consultation response form at Annex 3 and send it to:
planconsultations-c@wales.gsi.gov.uk

Post:

Please complete the consultation response form at Annex 3 and send it to the address below:

PPW Chapter 10 and TAN4 consultation
Planning Policy Branch
Planning Directorate
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Planning Policy Wales 2014
www.gov.wales/topics/planning/policy/ppw/?lang=en

Technical Advice Note 4: Retailing and Town Centres
www.gov.wales/topics/planning/policy/tans/tan4/?lang=en

Town Centres and Retail Dynamics - Towards a Revised Retail Planning Policy for Wales
www.gov.wales/topics/planning/planningresearch/publishedresearch/town-centres-and-retail-dynamics/?lang=en

Contact details

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Data protection

How the views and information you give us will be used

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is

an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

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Draft Planning Policy Wales Chapter 10 - Retail Centre Development

10.1 Objectives

10.1.1 The Welsh Government's objectives for retail centres are to:

- Promote retail centres, identified in a local hierarchy, as the most sustainable locations to live, shop, socialise and conduct business;
- Sustain and enhance retail centres vibrancy, viability and attractiveness; and to
- Improve access to, and within, retail centres by all modes of transport, especially walking, cycling and public transport.

10.1.2 Retail centres, identified in development plans are defined as established city, town, district, local and village centres, which provide a range of shopping, commercial and leisure opportunities as well as places of employment, education, civic identity and social interaction. Opportunities to live in these centres, combined, with their good public transport links, make them very sustainable places.

10.1.3 The Welsh Government adopts the 'town centres first' principle whereby consideration should always be given in the first instance for locating new retail and commercial development within an existing centre. Wherever possible retail provision should be located in proximity to other commercial businesses, leisure and community facilities, employment and housing. Such co-location of retail and other uses in existing centres, with enhancement of access by walking, cycling and public transport, provides the opportunity to use means of transport other than the car. This complementary mix of uses also sustain and will enhance the vitality, attractiveness and viability of those centres as well as contributing to an increase in linked trips and a reduction of travel demand.

10.1.4 Retail centre uses which need to be accessible to a large number of people include:

- Retailing,
- financial and professional services,
- major leisure uses,
- offices of central and local government and other public bodies,
- commercial offices, and
- tertiary education facilities,

and should preferably to be located in higher-order centres.

10.1.5 Smaller scale retail and service provision, including:

- appropriately sized food stores,
- leisure facilities,
- local health centres,

- branch libraries, and
- area offices of the local authority,

and should preferably be located in lower-order centres. All of the identified uses should be subject to the sequential test (see section 10.2.12 onwards) in consideration of development plan policies and development management decisions.

10.1.6 Vibrancy is reflected in how busy and diverse a centre is at different times and in different parts, and attractiveness in the facilities and character which draw in trade. Viability, on the other hand, refers to the ability of the centre to attract investment, not only to maintain the fabric but also to allow for improvement and adaptation to changing needs.

10.1.7 Retail catchment areas do not always reflect local authority boundaries and therefore it is important for local planning authorities to work strategically and co-operatively when considering the hierarchy of centres and in dealing with larger retail developments which will have an impact on shopping and other market patterns over a wide area.

10.2 Principles of Retail Centre Planning

Retail Strategies and Support for Existing Centres

10.2.1 Local planning authorities should develop through their Single Integrated Plan, Local Wellbeing Plan and development plans a clear strategy and policies for retail development which seek to achieve vital, attractive and viable centres. They should set out a framework for the future of retail centres in their area which promotes a successful retailing sector supporting existing communities and centres. The use of retail centre masterplans, development briefs or place plans will complement these strategies. In developing strategies, plans and policies to revitalise and increase the attractiveness of existing centres, local planning authorities should consult the private sector and local communities and should pay particular attention to the character of historic centres and conservation areas.

10.2.2 If a need (see 10.2.8 – 10.2.11) for retail development has been established the strategy will need to consider the most appropriate form and scale of provision which best matches the shopping needs of the community. Planning applications which do not accord with this approach should justify why they have departed from the strategy.

10.2.3 Development plans should establish a hierarchy of centres using locally defined definitions of centres, identify those which fulfil specialist functions and consider future roles and opportunities. This should be informed by evidence which underpins how each centre has been defined in the hierarchy.

10.2.4 In developing this hierarchy, account should be taken of the size, scale, form, function, and geographical spread of the centres within an area.

The local planning authority should consider the characteristics of each type of centre in order for them to be consistently categorised. For example, this could be the range of uses or the extent of their catchment.

10.2.5 Good access to, and movement within, retail centres is essential. Development plan policies and development proposals should encourage the provision of good access and safe environments to and within retail centres for walkers and cyclists, including the promotion of routes identified under the provisions of the Active Travel (Wales) Act (see Chapter 8), and for public transport, allowing for bus priority measures and public transport facilities. They should also encourage easy access to and within centres, and appropriate facilities, for people with limited mobility. Access for delivery vehicles should be provided for so as to assist the efficient functioning of centres. Access by car and short-term parking can also help centres to compete with existing out of centre locations, but they should be managed to minimise congestion, pollution and parking problems which would otherwise reduce the convenience, attractiveness or competitiveness of these centres.

10.2.6 Development Plans should promote community safety by encouraging design aimed at reducing the risk of crime, and which provides a secure environment for those visiting and working in retail centres. Appropriate design of development and spaces can contribute to security through natural surveillance, for example mixed use schemes can provide longer periods of activity and usage over the course of a day resulting in the creation of safer places.

10.2.7 New regional shopping centres, with more than 50,000 square metres of gross floorspace, can have a substantial impact over a wide area. Although there may be circumstances in which a new regional shopping centre could fulfil an important retail need, full account needs to be taken of all likely impacts and it is unlikely that opportunities exist for such a centre in Wales at present.

10.2.8 Individual small shops, such as convenience stores, which are not part of established centres, can play an important economic and social role, particularly in rural areas and in urban areas with limited local provision and their loss can be damaging to a local community. The role of these small shops needs to be taken into account in preparing development plan policies and in development management decision making, bearing in mind also the policies for diversification of the local economy set out in Section 4.6 and Chapter 7.

Tests of Need

10.2.9 In deciding whether to identify sites for retail centre uses in development plans or approving planning applications for such uses, local planning authorities should in the first instance consider whether there is a need for additional provision. Such need may be quantitative so as to address a provable unmet demand for the provision concerned or qualitative to address other identified local issues. Qualitative considerations refer to

issues such as the standard of existing retail provision in terms of the latest formats, range and mix of goods, distribution of retail provision and accessibility. Precedence should be given to establishing quantitative need before qualitative factors are considered for both convenience and comparison floorspace, particularly as a basis for development plan allocations.

10.2.10 Where the current provision appears to be adequate in quantity, the need for further allocations or developments must be fully justified. Qualitative assessment should cover both positive and negative acts and may become an important consideration where it:

- supports the objectives and retail strategy of an adopted development plan or the policies in this guidance;
- is highly accessible by walking, cycling or public transport;
- contributes to a substantial reduction in car journeys;
- contributes to the co-location of facilities in existing town, district, local or village centres;
- assists in the alleviation of over-trading of, or traffic congestion surrounding, existing local comparable stores;
- addresses locally defined deficiencies in provision in terms of quality and quantity including that which would serve new residential developments;
- significantly contributes to the vitality, attractiveness and viability of such a centre; or where it
- alleviates a lack of convenience provision in a disadvantaged area.

10.2.11 It will be for the local planning authority to determine and justify the weight to be given to any qualitative assessment. Regeneration and additional employment benefits are not considered qualitative need factors in retail policy terms, though they may be material considerations in making a decision on a planning application. Further policy and guidance in this respect can be found in Chapter 7 and Technical Advice Note (TAN) 23: Economic Development.

10.2.12 If there is no need for further development for retail centre uses, there will be no need to identify additional sites. There is no requirement to demonstrate the need for developments within established retail centre boundaries. This approach reinforces the role of centres as the best location for most retail/leisure/commercial activities. It is not the role of the planning system to restrict competition between retailers within centres.

Sequential Test

10.2.13 Where a need is identified for new retail development, or other uses complementary to a defined retail centre, local planning authorities should adopt a sequential approach to the selection of sites in their development plan and when determining planning applications.

10.2.14 Adopting a sequential approach means that first preference should be for a site allocation or development proposal to be located in a centre defined in the development plan hierarchy of centres where suitable sites, or buildings suitable for conversion, are available. The nature of a proposed use (see paragraph 10.1.4) is likely to determine what type of centre (i.e. higher or lower order centre) is the most appropriate starting point for this process. If a suitable site or building is not available within a centre, then consideration should be given to edge of centre sites, and if no such sites are suitable or available, only then should out-of-centre sites in locations that are accessible by a choice of means of transport be considered.

10.2.15 Local planning authorities should take a positive approach, in partnership with the private sector, in identifying sites which accord with this approach and are in line with the development plan retail strategy in terms of the size, scale and format of new developments needed. In allocating sites for different types of retail centre uses they should take account of factors such as floorspace, quality, convenience, attractiveness of the site and traffic generation. They should not however prescribe rigid floorspace limits on allocated sites that would unreasonably inhibit the retail industry from responding to changing demand and opportunity. Proposals for development may come forward after the development plan has been adopted irrespective of whether the plan provides allocations, and should be determined in accordance with national policy.

10.2.16 Developers should demonstrate that all potential town centre options, and then edge of centre options, have been thoroughly assessed using the sequential approach before out-of-centre sites are considered. The onus of proof that central sites have been thoroughly assessed rests with the developer.

10.2.17 Developers and retailers should be flexible and innovative about the format, design and scale of proposed development and the amount of car parking needed, tailoring these to fit local circumstances. In particular, developers proposing large scale retail and/or leisure developments with a large quantity of car parking are encouraged to consider whether or not elements of their proposal could be located on a site or number of sites in more central locations possibly taking advantage of shared parking facilities rather than automatically aiming to locate where such a development can only be accommodated on a single out-of-centre site. The use of masterplans or place plans could help facilitate such an approach.

10.2.18 Some types of retailing, such as stores selling bulky goods and requiring large showrooms, may not be able to find suitable sites within retail centres. Such stores should be located at edge of centre sites or, where such sites are not available, at locations accessible via a choice of means of transport. Retail parks, where such stores are often grouped, should only be considered where accessible to public transport as well as private transport. The need for retail parks should be tested in accordance with the principles in paragraphs 10.2.9 - 10.2.11 above. Out of centre retail developments should not be of a scale, type or location likely to undermine the vitality,

attractiveness and viability of those retail centres that would otherwise serve the community well, and should not be allowed if they would be likely to put retail centre strategies at risk.

10.3 Development Plans and Retail Centres

10.3.1 Development plans should:

- establish a local retail hierarchy which identifies the strategic role to be performed by retail centres;
- set out measures to reinvigorate particular centres, as appropriate including linking to centre-wide strategies, masterplans and place plans;
- promote vital, attractive and viable centres;
- allocate sites for retail centre uses, where there is assessed to be a quantitative or qualitative need using the sequential approach in size and scale with that identified in the retail strategy;
- include a criteria based policy against which proposals coming forward on unallocated sites can be judged;
- set out policies for primary and secondary frontages, where appropriate;
- develop policies which deal flexibly with changes to existing buildings;
- include policies relating to future development on existing retail sites to protect them from inappropriate development and to control and manage the release of unwanted retail sites to other uses; and
- monitor the health of retail centres to assess the effectiveness of policies.

10.3.2 Development plans should also identify changing retail pressures and opportunities and devise appropriate responses to them. In some situations it may be necessary to take pro-active steps to identify retail centre locations for expansion. In others it may be necessary to identify measures to reinvigorate centres, or to manage a change in the relative importance of a centre as other centres roles expand. Dealing with change may mean redefining the boundaries of centres or identifying acceptable changes of use. Where appropriate, local planning authorities should also give consideration to including policies about the re-use of redundant out of town retail space for alternative uses.

10.3.3 Although retail opportunities should continue to underpin retail centres it is only one of the factors which contribute towards their well-being. Policies (including specific allocations) should encourage a diversity of uses in centres. Mixed use developments, for example combining retailing with entertainment, restaurants and housing, should be encouraged so as to promote lively centres as well as to reduce the need to travel. Leisure uses can benefit retail centres and with adequate attention to safeguarding amenities can contribute to a successful evening economy.

10.3.4 Development plans may distinguish between primary and secondary frontages in retail centres and describe how they relate to the character of that

centre. Primary frontages are typically characterised by a high proportion of retail uses; designation of these areas requires careful consideration of a centre's likely future requirements; such as the need for further A1 retail units or the amount of retail a centre can realistically support. Secondary frontages are typically areas of mixed use commercial development including, for example, shops, cafes and restaurants, banks and other financial institutions, and other services. Banks and other financial institutions provide important services and local planning authorities should encourage their retention in retail centres. Local planning authorities should be sympathetic to proposals aimed at upgrading such premises or providing new customer service facilities.

10.3.5 Vibrant and viable centres require diversity of use and activity, and a flexible approach to planning may be appropriate to respond to changing needs and circumstances. Where this balance is not being achieved local planning authorities should consider making changes to the acceptable uses in primary or secondary frontages, the position of their boundaries or where necessary consider removing boundaries altogether.

10.3.6 To assess a centre's performance local planning authorities should monitor their health¹ and recognise the signs of decline or structural change. There may be many causes of decline ranging from national or local economic circumstances, competition with other centres, or changes in local shopping habits. The local planning authority should seek to manage decline or take action to regenerate a centre. In some circumstances over emphasis on A1 uses alone in primary or secondary areas may undermine a centre's prospects, making it particularly vulnerable to external conditions, with potential consequences such as high vacancy rates. In such circumstances local planning authorities should consider how uses other than A1 (retail) uses may play a greater role in both central and peripheral areas to increase diversity and reduce vacancy.

10.3.7 Where a centre is in decline it may be appropriate to rationalise the boundaries of primary and secondary areas, allowing change of use to residential whilst focusing A1 (retail) uses in a more concentrated area.

10.3.8 Should a local planning authority consider a retail centre has declined to such an extent that it is no longer viable or has any prospect of attracting future investment then serious consideration should be given to removing the retail centre status from that area. This should be done through full consultation with communities as part of a development plan review.

10.3.9 To support LDP strategies for retail centres local planning authorities should consider the use Local Development Orders (LDOs)². LDOs grant planning permission for certain types of development within a specified area subject to conditions and limitations. An LDO can contribute to local economic development and regeneration, helping make places more

¹ Welsh Government (2015) Technical Advice Note 4 - Planning for Retail Development and Town Centres

² Welsh Government (2014) LDOs – Impacts and Best Practice

attractive and more competitive, by simplifying the planning process. They can incentivise development and help reduce vacancy rates, leading to more vibrant and viable centres. Whilst LDOs are well suited to support minor developments in less sensitive areas, local planning authorities may also consider their use in relation to major developments where greater impacts are likely. In established retail centres an LDO can facilitate changes of use, alterations, extensions and infill developments, replacing many minor planning applications which are routinely approved. LDOs can be particularly effective when combined with other schemes such as Business Improvement Districts to bring about more comprehensive improvements to centres, such as environmental and infrastructure enhancements.

10.3.10 Policies and supplementary planning guidance should support the management of town centres and, where appropriate, smaller centres. Such management, involving enhancement and promotion, can be an important factor in achieving vibrancy, viability, and attractiveness in retail centres. Management measures can also contribute to the achievement of a safe and crime free environment. Partnership between local authorities and the private sector is essential to the success of such management strategies.

10.4 Development Management and Retail Centres

10.4.1 When determining a planning application for retail, commercial, leisure or other uses, including redevelopment, extensions or the variation of conditions, local planning authorities should take into account:

- compatibility with the development plan;
- need for the development/extension, unless the proposal is for a site within a defined centre or one allocated in an up-to-date development plan;
- the sequential approach to site selection;
- impact on existing centres;
- net gains in floorspace where redevelopment is involved, and whether or not it is like-for-like in terms of comparison or convenience;
- rate of take-up of allocations in any adopted development plan;
- accessibility by a variety of modes of travel;
- improvements to public transport;
- impact on overall travel patterns; and
- best use of land close to any transport hub, in terms of density and mixed use.

10.4.2 For major new retail proposals, local planning authorities should consider not only the incremental effects of that proposal but also the likely cumulative effects of recently completed developments, together with outstanding planning permissions and development plan commitments, in the catchment areas of those centres.

10.4.3 Edge of centre or out-of-centre retail developments may seek over time to change the range of goods they sell or the nature of the sales area, for example by subdivision to a mix of smaller units, or to a single 'department'

store. Sites might come up for redevelopment or be extended, or additional floorspace (possibly in the form of mezzanine floors) might be proposed.

10.4.4 Local planning authorities should anticipate such future changes to retail developments (which are likely to impact upon the vitality, attractiveness or viability of a town centre) by placing conditions on the initial permission and on any subsequent variation of condition. Conditions might be appropriate to prevent the development from being subdivided into a large number of smaller shops, to limit the range of goods sold or to restrict the amount of floorspace. Applications to remove or vary such conditions should be considered in accordance with this guidance. Similarly where the inclusion of post offices and pharmacies in out-of-centre retail developments would be likely to lead to the loss of existing provision they should be discouraged by imposing appropriate conditions.

10.4.5 The economic and social role of local shops, village shops and public houses should be taken into account when considering applications for a change of use into dwellings or other uses. In rural areas local planning authorities should adopt a positive approach to applications for conversion of suitable village properties to shops and for extensions to village shops designed to improve their viability. A positive approach should also be taken, subject to amenity considerations, to re-establishing a public house in villages which have completely lost such provision. The lack of public transport in rural areas should not preclude small-scale retail or service development where this will serve local needs.

10.4.6 Shops ancillary to other uses, such as farm shops that will help to meet the demand for fresh produce, craft shops and shops linked to petrol stations, can also serve a useful role in rural areas by providing new sources of jobs and services (see Chapter 7). In assessing such proposals, local planning authorities should take account of:

- the potential impact on nearby centres or village shops;
- the desirability of providing a service throughout the year; and
- the likely impact of traffic generated and access and parking arrangements.

10.4.7 Factory shops selling their own products are likely to be suitable where, individually or cumulatively, they do not harm the vitality, attractiveness or viability of retail centres and where they are acceptable in regard to traffic generation, access and parking.

10.4.8 Free-standing developments which include a number of factory outlets should be assessed on the same basis as other retail proposals. The central issue is not whether goods are sold at a discount, but whether such retail developments would divert trade in comparison goods away from existing retail centres. Such centres may draw customers from a wide catchment area, predominantly by car, and as a result are unlikely to be consistent with the criteria in this guidance unless those issues can be satisfactorily resolved.

10.4.9 Warehouse clubs which sell goods to the public share many of the characteristics of very large retail outlets, and they should be treated as if they were retail businesses in assessing planning applications for them.

10.4.10 Amusement centres are most appropriately sited in secondary shopping areas or in areas of mixed commercial development. They are unlikely to be acceptable in primary shopping areas, close to housing or near schools, places of worship, hospitals and hotels, nor in conservation areas or other places of special architectural, historic, landscape or natural environment character. In resort towns, seafront locations may be preferred (but see Sections 5.6 to 5.8). Account will always need to be taken of the amount of noise already generated in the area. It will not normally be reasonable to expect amusement centres to be quieter than their neighbours.

10.4.11 Applications for renewal of planning permission for retail, leisure, and other retail centre uses should be determined in accordance with the up-to-date development plan and with regard to this guidance including the sequential approach. This may mean that permissions are not renewed where the proposals are not in accord with current policy. Proposals to change the use of existing retail allocations which are not in conformity with this guidance (for example, because they are located where access by walking, cycling and public transport is poor) to other more acceptable land uses at those locations, should be supported.

10.4.12 Applications for uses other than those allocated on retail centre sites which conform to this guidance should not normally be permitted. However, some sites in urban areas with extant but unimplemented permissions for commercial or retailing uses may be suitable for housing development that could help bring vitality to urban centres. Where vacant offices and retail premises in existing shopping centres seem unlikely to be used again for these purposes, authorities should encourage conversion to other appropriate uses. However, this is more appropriately undertaken in the context of a retail centre strategy.

10.4.13 Planning applications for retail development should not normally be permitted on land designated for other uses. This advice applies especially to land allocated for industry, employment and housing, where retail development can be shown to have the effect of limiting the range and quality of sites that would be available for such uses.