RYEDALE DISTRICT COUNCIL

Advice on Local Threshold for PPS4 Assessment of Impacts within Ryedale

Introduction

1.1 PPS4 was published in December 2009 and sets out the requirements of national policy, insofar as it relates to planning for the location of retail uses. In particular, Policy EC14 specifies the supporting evidence that should accompany planning applications for main town centre uses, which of course includes retail development. It requires that an assessment of impacts is undertaken under Policy EC16.1 for planning applications for retail and leisure developments over 2,500 sq.m gross floorspace, or any other local floorspace threshold set in the development plan process (Policy EC14.4), that are not in an existing centre and not in accordance with the development plan.

1.2 In this note, we consider whether it is necessary to set a local floorspace threshold in Ryedale, and if so, what the threshold should be, taking account of a range of local factors.

1.3 We take into account the advice set out in paragraph 7.4 of the CLG's Practice Guidance on Need, Impact and the Sequential Approach, which was published in December 2009 and accompanies PPS4. The Practice Guidance states that, when setting a local floorspace threshold, '*important considerations are likely to include the scale of known proposals relative to town centres; the existing vitality and viability of town centres; the cumulative effects of recent developments; the likely effects on a town centre strategy and the impact on any other planned investment*'.

1.4 In particular, we assess the scale of retail planning applications submitted to the Council over the last eight years, taking into account:

- existing floorspace in centres;
- typical unit size in centres;
- the gross floorspace of planning applications for retail development; and
- the frequency of proposals for different quantities of floorspace.

1.5 We further consider the likely impact of proposals on any town centre strategies or other planned investment, taking into account:

- the existing vitality and viability of Ryedale's town centres; and
- recent developments and/or extant permissions, and their likely cumulative impact.

Scale of Proposals Relative to Town Centres

Existing Floorspace in Centres

1.6 Table 1 below sets out the total gross convenience and comparison floorspace within Malton town centre based on 2006 GOAD survey data, updated to July 2008[1]. Table 1 indicates that the total retail floorspace in Malton is around 26,500 sq.m gross, of which 10,100 sq.m is convenience floorspace and 16,360 sq.m is comparison floorspace. Proposals for schemes comprising 1,000 sq.m or more of gross convenience floorspace would equate to some 10 per cent or more of the total gross convenience floorspace in Malton town centre, and schemes containing 1,600 sq.m or more of gross comparison floorspace would equate to 10 per cent or more of the total gross comparison floorspace in Malton town centre. Schemes of that size should therefore be considered large.

Table 1 – Gross Retail Floorspace in Malton Town Centre (sq.m)

	Total Floorspace (sq.m)	5% of Total Floorspace (sq.m)	10% of Total Floorspace (sq.m)
Convenience	10,100	505	1,010
Comparison	16,360	818	1,636
Total	26,460	1,323	2,646

Source: GOAD survey (June 2006) updated to July 2008

1.7 We do not have Experian GOAD data for Norton, Pickering and Kirkbymoorside. However, the total floorspace in these centres is likely to be considerably less than that in Malton – the largest centre in the District – as indicated by the number of convenience and comparison units in the four centres, shown in Table 2.

Table 2 – Number of Comparison and Convenience Units in Town Centres

	Malton	Pickering	Kirkbymoorside	Norton
Convenience	22	16	6	6
Comparison	107	49	12	9
Total (Comparison and Convenience)	129	65	18	15

Source: On-foot surveys (July 2008)

Typical Unit Size in Centres

1.8 Table 3 and Table 4 below highlight that Malton's retail offer is characterised by relatively small units. Indeed, the median gross floorspace of a retail unit in Malton town centre is 150 sq.m for convenience operators and 90 sq.m for comparison operators, as shown in Table 3. Table 4 shows that 76 per cent of convenience units and 95 per cent of comparison units have a gross floorspace of 500 sq.m or less. However, a number of convenience operators in Malton occupy larger units, and 19 per cent of all convenience units provide at least 1,000 sq.m of gross floorspace.

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[1] We updated Experian's GOAD survey of Malton town centre (undertaken in June 2006) to a July 2008 base date following our own on-foot survey of the centre, as part of our 2008 Ryedale Retail Capacity Study Update (RRCSU).

Table 3 – Gross Retail Unit Size in Malton Town Centre (sq.m)

	Mean	Median
Convenience Units	481	150
Comparison Units	164	90
Total Units	219	110

Source: GOAD survey (June 2006) updated to July 2008

Table 4 - Gross Retail Unit Size in Malton Town Centre (sq.m)

	Convenience Units		Comparison Units		Total	
Floorspace	**Number of Units**	**Percentage of Total**	**Number of Units**	**Percentage of Total**	**Number of Units**	**Percentage of Total**
0 to 250 sq.m	15	71%	84	84%	99	82%
250 to 500 sq.m	1	5%	11	11%	12	10%
500 to 750 sq.m	0	0%	3	3%	3	2%
750 to 1,000 sq.m	1	5%	0	0%	1	1%
1,000 to 1,250 sq.m	1	5%	1	1%	2	2%
1,250 to 1,500 sq.m	2	10%	1	1%	3	2%
1,500 to 1,750 sq.m	0	0%	0	0%	0	0%
1,750 to 2,000 sq.m	0	0%	0	0%	0	0%
2,000 to 2,250 sq.m	0	0%	0	0%	0	0%
2,250 to 2,500 sq.m	0	0%	0	0%	0	0%
2,500 sq.m and over	1	5%	0	0%	1	1%
Total	21	100%	100	100%	121	100%

Source: GOAD survey (June 2006) updated to July 2008

1.9 The town centre 'healthchecks' undertaken as part of our 2006 Ryedale Retail Capacity Study (RRCS) concluded that the units in the other three main centres in Ryedale – Norton, Pickering and Kirkbymoorside - are typically small-scale. Perhaps the largest unit in these centres is the Co-op supermarket located in Pickering, although this is still relatively small in size (945 sq.m sales area).

1.10 This indicates that proposals for convenience units of around 1,000 sq.m or more, and comparison units of around 500 sq.m or more, should be considered large, given the existing unit sizes in the District's main centres.

Planning Applications for Retail Development

1.11 Since the start of 2003, a total of 18 planning applications have been submitted for new retail floorspace across Ryedale District, including new development and changes to retail use[2]. Of these applications, 67 per cent were for a gross floorspace of less than 500 sq.m, and six (33 per cent of all retail applications) were for schemes providing more than 1,000 sq.m of gross retail floorspace, as shown in Table 5. The largest planning

[2] Planning applications data between 1 January 2003 and 15 July 2010 provided by Ryedale District Council. However, it should be noted that this data may not capture all applications for retail floorspace over this period, and particularly smaller-scale schemes, due to limitations of the applications data search mechanism.

application for comparison retail floorspace was for around 3,800 sq.m gross floorspace, and the largest foodstore application was for some 1,600 sq.m gross floorspace.

Table 5 – Planning Applications for New Retail Floorspace in Ryedale (2003 to present)

Gross Floorspace	Number of Applications	Percentage of Applications
0 to 500 sq.m	12	67%
500 to 1,000 sq.m	0	0%
1,000 to 2,500 sq.m	4	22%
Over 2,500 sq.m	2	11%
Total	18	100%

Source: Ryedale District Council

Likely Impact of Proposals

Vitality and Viability of Ryedale's Centres

1.12 As part of the 2006 RRCS, we assessed the health of Malton, Norton, Pickering and Kirkbymoorside centres taking into account our own surveys of the centres, consultations with stakeholders and Council officers, and desk based research. Our assessment of the health of Malton town centre was subsequently updated as part of the 2008 RRCSU.

1.13 Our 2008 health assessment showed that, overall, Malton was a healthy town centre, with no indicators of acute decline. In particular, we considered Malton a generally attractive, busy market town, which benefited from a varied convenience and comparison sector, regular markets, a falling vacancy rate, low (good) yields, and reasonable demand/interest from retail and service operators.

1.14 In our 2006 health check assessments, we concluded that Pickering was a healthy town centre, which was demonstrated by the very low vacancy rate; the strong mix of convenience, comparison and service uses for a town of its size; the vibrant street atmosphere; and its attractive environment. We considered that Kirkbymoorside, with a low vacancy rate and its safe and attractive environment, was also healthy. However, Norton was considered to be the least healthy of the four centres and most in danger of experiencing decline. This was evidenced by the sparse shopping offer, high vacancy rate, low pedestrian flows, low retail rents, the limited range of supporting facilities and amenities such as restaurants and banks, a high vehicular through-flow and a lack of general shop-front maintenance.

Recent Developments and/or Extant Permissions: Cumulative Impact

1.15 Since we completed the 2008 RRCSU, planning permission has been granted for three large foodstore schemes in Ryedale - two in Malton/Norton and one in Pickering. Specifically, planning permission was granted for:

- a 1,081 sq.m gross extension to the existing Morrisons store at Castlegate, Malton, in November 2009 (reference: 08/01144/MFUL);
- a 1,358 sq.m gross Lidl supermarket at Welham Road, Norton (reference: 08/01096/MFUL), also in November 2009; and

- a 1,430 sq.m gross Lidl supermarket at Southgate, Pickering (reference: 08/00551/MFUL) in April 2010.

1.16 The Council has also resolved to grant planning permission for an Aldi store at Welham Road, Norton (reference: 09/00282/MOUT) although the application has been called in for determination by the Secretary of State and so it is not yet a planning commitment.

1.17 We consider that the impact of each of the extant schemes referred to above, when considered on their own, is within acceptable limits, and is unlikely to materially undermine the vitality and viability of Malton, Norton and/or Pickering town centres. However, given the commitments in the pipeline, further edge- or out-of-centre supermarket/superstore development has the potential to result in unacceptable levels of trade diversion from Ryedale's centres, and in particular, from Norton town centre, which as noted above is a relatively fragile centre.

1.18 The cumulative impact of development will therefore be an important issue to consider in relation to any future applications for edge- and out-of-centre developments, especially given the Council's aspirations to attract a new high-quality supermarket/superstore to Malton town centre itself (as discussed below). Given the commitments in the pipeline and the Council's strategy for the town centre, we consider that there is a need to set a tight local impact threshold, to ensure that the solus and cumulative impacts of future edge- and out-of-centre retail applications are carefully considered.

Impact on Planned Investment

1.19 As far as we are aware, the only scheme in the pipeline in Ryedale, which further retail proposals could potentially have an impact on, is the Council's aspiration for a new mid- to high-range supermarket/superstore in Malton.

1.20 In June 2009, Ryedale District Council published a 'Summer Consultation' document, which sought opinion on specific topic areas that the Council considers critical in taking forward the Core Strategy. With regards to retail development, the Summer Consultation document highlights several issues for deliberation, including the need for new retail development and potential locations for future retail growth. In particular, the consultation document identifies a requirement for additional retail provision within or adjacent to Malton town centre to enhance its role, and suggests that a mid- to high-quality supermarket is required to redress the current focus on the lower end of the market, and assist in retaining retail expenditure within Ryedale.

1.21 This proposal for an additional foodstore in Malton is supported by evidence presented in the 'Strategy for Malton Town Centre' report, which was completed in January 2009 by WSP Group and Atisreal, on behalf of the Council and Yorkshire Forward. The strategy explains that Malton lacks a mid- to high-quality supermarket, which is essential to balance the centre's current convenience sector offer, attract new shoppers into Malton, and help to retain expenditure within the District.

1.22 Given the recent commitments, the expenditure capacity available to support new convenience sector development in Ryedale is becoming increasingly limited. Proposals for further edge- and out-of-centre supermarket/superstore development would further restrict capacity and could potentially jeopardise the Council's plans for a new supermarket/superstore in Malton. Therefore, we again recommend setting a tight impact threshold, to ensure that the impacts associated with any proposals for further convenience retail schemes are fully assessed.

Summary of Findings and Overall Conclusions

1.23 Policy EC3.1.d of PPS4 advises that local planning authorities can put in place local impact thresholds, where it is considered expedient to do so. Having undertaken an assessment of a range of local factors, as detailed in this note, we recommend that the Council should adopt a local floorspace threshold in its Core Strategy of 500 sq.m gross for comparison floorspace, and 1,000 sq.m gross for supermarkets/superstores (which typically include a combination of convenience and comparison floorspace). In sum, applicants would be required to undertake an assessment of impacts for any planning applications for retail development (including extensions) that provide either:

- 500 sq.m gross of comparison retail floorspace, or more; or
- 1,000 sq.m gross of retail floorspace for supermarkets/superstores, or more.

1.24 As our analysis has shown, all of Ryedale's centres are small, both in terms of their total retail floorspace and the size of individual retailers. Malton town centre, which is the largest centre in the District, contains a total retail floorspace of around 26,500 sq.m gross (10,100 sq.m convenience and 16,400 comparison floorspace), A supermarket development of 1,000 sq.m gross would therefore represent around 10 per cent of the total existing convenience floorspace in Malton town centre. Furthermore, 95 per cent of existing units in Malton that are occupied by retailers provide less than 1,000 sq.m gross floorspace. Comparison retail units in Malton are particularly small-scale, and 95 per cent of existing comparison units in the centre provide less than 500 sq.m gross floorspace. Proposals for more than 500 sq.m gross comparison floorspace, or 1,000 sq.m gross for supermarkets/superstores, are therefore large relative to existing provision and could potentially result in significant adverse impacts on Ryedale's town centres.

1.25 We consider that the two extant permissions for large-scale edge- or out-of-centre retail development in Ryedale - for Lidl stores in Norton and Pickering - are unlikely to materially undermine the vitality and viability of Malton, Norton and/or Pickering town centres. However, these commitments will divert some trade from the three centres and, in particular, from the Co-op in Pickering town centre and from Morrisons in Malton town centre. Whilst we consider that Malton and Pickering are, overall, healthy town centres, and will be able to withstand the impacts of these schemes, Co-op and Morrisons currently function as anchor stores in their respective centres. As such, it will be important to carefully consider the impacts of any further supermarket/superstore development to ensure that their future viability is protected. Furthermore, Norton, as the least healthy of Ryedale's four largest centres, will be particularly susceptible to impacts arising from edge- or out-of-centre retail development. The cumulative impact of further supermarket/superstore development therefore has the potential to result in unacceptable levels of trade diversion from Ryedale's centres and will be an important issue to consider in relation to any future applications for edge- and out-of-centre retail developments.

1.26 The Council has aspirations for a new mid- to high-quality supermarket/superstore in Malton, which will plug a discernible gap in the quality of the centre's existing provision. However, given the recent commitments, the expenditure capacity available to support new convenience sector development in Ryedale is becoming increasingly limited. Additional edge- and out-of-centre supermarket/superstore development would further restrict capacity and could potentially undermine the delivery of the Council's aspirations for enhanced foodstore provision in Malton. It is therefore important to maintain tight local impact thresholds to ensure that the impacts associated with proposals for any further supermarket/superstore scheme are fully assessed.

1.27 For the above reasons, we consider that caution must be exercised in relation to future edge- and out-of-centre retail applications in terms of the potential impacts on Ryedale's centres and the Council's aspirations for investment. We therefore consider that there is a need to set a local impact threshold, and recommend a local floorspace threshold in Ryedale of 500 sq.m gross for comparison floorspace and 1,000 sq.m gross for supermarkets/superstores.

1.28 We have undertaken an analysis of all planning applications for new retail floorspace made over the last eight years. Of these applications, only four were for supermarkets/superstores providing more than 1,000 sq.m of gross floorspace and two were for schemes providing more than 500 sq.m of gross comparison retail floorspace, equating to 22 per cent and 11 per cent of all retail applications over the assessment period, respectively. A retail floorspace threshold of 500 sq.m gross for comparison goods, and 1,000 sq.m gross for supermarket/superstore developments, is therefore likely to apply to only the largest retail proposals, which represent a small proportion of all retail applications.