

Locally Set Floorspace Threshold for the NPPF

Assessment of Impacts

On behalf of **Fylde Borough Council** and **Wyre Borough Council**



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1.1 Introduction

1.1.1 The NPPF was published in March 2012 and sets out the requirements of national policy, insofar as it relates to planning for the location of retail and other main town centre uses. Paragraph 26 of the NPPF states that when assessing applications for retail, leisure and office development that are not within an existing centre and not in accordance with an up-to-date Local Plan, LPAs should require an impact assessment if the development is over a proportionate locally set floorspace threshold, or exceeds 2,500 sq.m in the absence of a local floorspace threshold. This should include an assessment of:

- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made.

1.1.2 In this report, we consider whether it is necessary to set a local retail floorspace threshold within the Boroughs of Fylde and Wyre, and if so, what the threshold should be. The NPPF provides no further guidance on this matter, and so we refer to DCLG's Practice Guidance on Need, Impact and the Sequential Approach (the 'Practice Guidance'), which was published in December 2009 to accompany PPS4 (the predecessor to the NPPF in relation to planning for retail uses) and which remains extant.

1.1.3 Paragraph 7.4 of 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'*.

1.1.4 In particular, we assess the size of retail planning applications submitted to the Fylde and Wyre Councils over the last five years, taking into account:

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

1.1.5 We further consider the likely impact of proposals on any planned investment, taking into account:

- the existing vitality and viability of Fylde and Wyre's town centres; and
- recent developments and/or extant permissions.

1.2 Scale of Proposals Relative to Town Centres

1.2.1 The total gross convenience and comparison retail floorspace in the seven main Fylde and Wyre centres is set out in Table 1 below. Table 1 shows that the largest centres in the two Boroughs are Cleveleys, Fleetwood and St Annes, which have a total retail floorspace of around 29,000 sq.m, 25,100 sq.m and 22,400 sq.m respectively. Lytham, Poulton-le-Fylde, Garstang and Kirkham are slightly smaller retail centres each with a total retail floorspace ranging between some 8,300 sq.m and 12,900sq.m.

- 1.2.2 Table 1 shows that Fleetwood provides the greatest amount of convenience retail provision, with a total of some 13,800 sq.m of convenience retail floorspace, which is primarily accounted for by a large Asda foodstore and the town's market. It should be noted, however, that this figure is likely to represent an over-estimate of the town's convenience retail provision, as both the Asda store and the market contain a significant element of comparison retailing. The convenience retail floorspace in the remaining Fylde and Wyre centres ranges from between some 3,100 sq.m and 5,500 sq.m.
- 1.2.3 In the comparison sector, Cleveleys and St Annes offer the largest provision with some 23,500 sq.m and 17,500 sq.m of comparison retail floorspace, respectively. The comparison floorspace in Fleetwood and Lytham amounts to around 11,300 sq.m and 9,800 sq.m respectively. In Poulton-le-Fylde, Kirkham and Garstang, the comparison retail floorspace ranges from some 4,500 sq.m to 5,700 sq.m.

Table 1 Retail Floorspace in Fylde and Wyre Main Centres (Total Gross)¹

Centre	Floorspace (sq.m)		
	Convenience	Comparison	Total
Fylde			
St Annes	6,682	17,510	22,430
Lytham	3,130	9,750	12,880
Kirkham	3,770	4,510	8,280
Wyre			
Cleveleys	5,489	23,500	28,989
Fleetwood	13,830	11,300	25,130
Poulton-le-Fylde	3,110	5,730	10,000
Garstang	5,510	4,480	9,990

Source: GOAD survey data, October 2009²

- 1.2.4 Table 2 below shows that proposals for schemes comprising around 1,400 sq.m of gross convenience retail floorspace would therefore equate to approximately 10 per cent of the total gross convenience retail floorspace in Fleetwood. We consider that a foodstore of this size or larger should therefore be considered 'large' in the context of Fleetwood as any out-of-centre development on this scale could potentially result in significant adverse impacts on the town centre. The centres of St Annes, Lytham, Kirkham, Cleveleys, Garstang and Poulton-le-Fylde all contain significantly less convenience retail floorspace than Fleetwood. A scheme proposing some 300 sq.m to 700 sq.m of convenience retail floorspace would therefore be 'large' in the context of these centres on the basis that this would represent around 10 per cent of the existing convenience retail floorspace in each centre.
- 1.2.5 Similarly, we consider that schemes comprising a gross comparison retail floorspace of more than 2,300 sq.m in Cleveleys, 1,700 sq.m in St Annes, 1,100 sq.m in Fleetwood and 1,000 sq.m in Lytham should be considered 'large' in the context of these centres. In Poulton-le-Fylde, Kirkham and Garstang, proposals for around 500 sq.m of gross comparison retail floorspace would represent around 10 per cent of the existing comparison retail floorspace in each centre and should be considered 'large' within this context.

¹ Figures are based on GOAD survey area and include all main areas of commercial activity but do not necessarily reflect town centre boundaries.

² Since the 2009 GOAD surveys were undertaken, a new Aldi store (1,329 sq.m of gross floorspace) has opened in Cleveleys Town Centre and another new Aldi store (1,342 sq. m of gross floorspace) has opened in St Annes Town Centre. We are not aware of any other major retail developments that may have significantly altered the scale of retail provision in any of the study centres since the GOAD surveys were undertaken. We have therefore updated the 2009 GOAD data (as shown in Table 4.1 of the Fylde Coast Retail Study) to take account of the aforementioned retail changes and consider that this updated data remains valid for the purposes of our analyses.

Table 2 Retail Floorspace in Fylde and Wyre Main Centres (10% of Total Gross)

Centre	10% of Floorspace (sq.m)		
	Convenience	Comparison	Total
Fylde			
St Annes	668	1,751	2,243
Lytham	313	975	1,288
Kirkham	377	451	828
Wyre			
Cleveleys	549	2,350	2,899
Fleetwood	1,383	1,130	2,513
Poulton-le-Fylde	331	573	1,000
Garstang	551	448	999

1.3 Typical Unit Size in Centres

- 1.3.1 Tables 3 and 4 below highlight that the stock of retail property in Fylde and Wyre Boroughs' centres is characterised by relatively small units. Across the seven main centres, just 13 convenience retail operators (equating to 10 per cent of the total number of convenience units) are in units that provide over 500 sq.m of gross floorspace. Of these, one is in a unit of between 750 sq.m and 1,000 sq.m, and eight are in units of over 1,000 sq.m gross.

Table 3 Gross Convenience Retail Unit Size in Fylde and Wyre Main Centres

Centre	Number of Units			
	Floorspace <500 sq.m	Floorspace 500-750 sq.m	Floorspace 750-1000 sq.m	Floorspace >1000 sq.m
Fylde				
St Annes	17	1	0	1
Lytham	24	0	0	0
Kirkham	8	0	0	1
Wyre				
Cleveleys	22	1	1	1
Fleetwood	25	1	0	2
Garstang	12	1	0	2
Poulton-le-Fylde	9	0	0	1
Total	117	4	1	8

Source: GOAD survey data, October 2009³

- 1.3.2 Based on the size of existing units, we consider that proposals for around 750 sq.m gross or more of convenience retail floorspace should be considered large developments with the potential to give rise to significant adverse impacts in the context of St Annes, Poulton, Kirkham, Cleveleys, Fleetwood and Garstang. In Lytham, where there are currently no in-centre convenience retail units with a gross floorspace of over 500 sq.m, we consider that proposals for around 500 sq.m or more of convenience retail floorspace may be considered large and could justify an impact assessment.

³ Ibid.

- 1.3.3 Of the total comparison retailers across the main centres in the Boroughs of Fylde and Wyre, only 21 (equating to 4 per cent of the total number of comparison units) are in units providing over 500 sq.m gross floorspace or more. The majority of these are in units of between 500 sq.m and 750 sq.m, and just nine comparison operators are located in units of over 750 sq.m gross.

Table 4 Gross Comparison Retail Unit Size in Fylde and Wyre Main Centres

Centre	Number of Units			
	Floorspace <500 sq.m	Floorspace 500-750 sq.m	Floorspace 750-1000 sq.m	Floorspace >1000 sq.m
Fylde				
St Annes	107	4	1	0
Lytham	87	1	0	0
Kirkham	39	1	0	0
Wyre				
Cleveleys	119	4	0	5
Fleetwood	76	2	2	0
Garstang	45	0	0	0
Poulton-le-Fylde	48	0	0	1
Total	521	12	3	6

Source: GOAD survey data, October 2009⁴

- 1.3.4 Comparison retail units in the Fylde and Wyre centres are particularly small scale, and in this context we consider that proposals for around 500 sq.m gross or more of comparison retail floorspace should be considered large developments with the potential to give rise to significant adverse impacts in relation to the centres of St Annes, Lytham, Poulton-le-Fylde, Kirkham, Fleetwood and Garstang. Cleveleys contains a slightly greater number of larger comparison retail units and in this context we consider that proposals for around 750 sq.m or more of comparison retail floorspace should be considered large.

1.4 Planning Applications for Retail Development

- 1.4.1 Data on recent retail planning applications is useful when considering whether to set a local floorspace threshold as it provides an indication of the general scale of recent retail proposals in the two Boroughs. Since the start of 2008, a total of 73 planning applications have been submitted for new retail floorspace, including new development and changes to retail use, across the Fylde and Wyre Boroughs as summarised in Table 5.
- 1.4.2 Of these applications, 54 (equating to 74 percent of all retail applications) related to a gross retail floorspace of less than 500 sq.m and two (3 per cent) were for schemes providing between 500 sq.m and 1,000 sq.m of gross retail floorspace. A further seven applications (10 per cent) were for schemes proposing between 1,000 sq.m and 2,500 sq.m of gross retail floorspace of which four related to foodstore schemes, one related to a department store, one was for non-food retail units, and one related to both a foodstore and non-food retail units. The remaining 10 retail planning applications (14 per cent) were for schemes proposing more than 2,500 sq.m of gross retail floorspace, of which 1 related to new neighbourhood centres, eight related to foodstore schemes (seven of which relate to proposals on three sites), and one was for open A1 retail units.

⁴ Ibid.

Table 5 Planning Applications for New Retail Floorspace in Fylde and Wyre (January 2008 to September 2013)

Gross Floorspace	Number of Applications		
	Fylde	Wyre	Total
0 to 500 sq.m	11	43	54
500 to 750 sq.m	1	1	2
750 to 1,000 sq.m	0	0	0
1,000 to 2,500 sq.m	4	3	7
Over 2,500 sq.m	4	6	10
Total	21	52	73

Source: Fylde and Wyre Borough Councils

- 1.4.3 In total, there have been 13 planning applications relating to foodstore schemes of over 1,000 sq.m gross floorspace across the Fylde and Wyre Boroughs in the last five years, and four applications proposing over 1,000 sq.m of gross non-food retail floorspace. With the exception of the Aldi foodstore and the proposed department store in Cleveleys, the Aldi foodstore in St Annes and the Booths foodstore at the Teanlowe Centre in Poulton-le-Fylde, all of the planning applications relating to schemes proposing more than 1,000 sq.m of gross retail floorspace were out-of-centre.
- 1.4.4 The significant pressure for large-scale out-of-centre retail development in both the Fylde and Wyre Boroughs, and the number of such schemes falling below the default threshold for the NPPF impact assessment suggests the need to consider a tighter local floorspace threshold, to ensure that the solus and cumulative impacts of future edge- and out-of-centre retail applications are carefully considered. Our analysis of planning applications for new retail floorspace made over the last five years suggests that a local floorspace threshold of 1,000 sq.m gross of convenience or comparison retail floorspace would 'capture' the major retail proposals in the Fylde and Wyre, whilst still only applying to a small proportion of all retail applications in the two Boroughs.

1.5 Likely Impact of Proposals

- 1.5.1 As part of the 2011 FCRS, we assessed the health of all of the Fylde and Wyre centres. Briefly, the FCRS found Lytham, St Annes and Garstang to be performing well overall. In all of these centres, the convenience goods sector was identified as strong, and whilst the comparison sector was generally found to be slightly weaker, this was not considered to be of concern in any of these centres. However, the health of Fleetwood and Poulton-le-Fylde, and, to a lesser extent, Cleveleys and Kirkham, was of some concern.
- 1.5.2 Whilst Fleetwood was found to be performing reasonably well in the convenience sector, the centre was identified as deficient in relation to comparison shopping. The FCRS identified that Fleetwood's comparison sector has likely suffered through competition with the out-of-centre Freeport Shopping Village. We note that planning permission was granted in December 2011 for an additional 2,101 sq.m gross of non-food retail floorspace at Freeport (reference: 11/00473), which remains extant, and we consider that protecting the vitality and viability of Fleetwood from further competition at Freeport Shopping Village as well as other edge- and out-of-centre locations remains an important priority.
- 1.5.3 The FCRS further identified the poor state of the Teanlowe Shopping Centre in Poulton-le-Fylde as the main concern in the centre. The Teanlowe Centre was found to detract from the overall viability of Poulton-le-Fylde and the FCRS identified a requirement to refurbish or redevelop the Centre. Planning permission has now been granted for a partial redevelopment of the Teanlowe Centre to provide a new Booths foodstore, which will provide an important anchor for the shopping centre and go some way towards improving the vitality and viability of Poulton-le-Fylde overall. It is noted, however, that the new Booths store will replace an

existing Booths in the town, and the Co-operative store previously located in the Teanlowe Centre will be lost as part of the redevelopment scheme. We therefore consider that maintaining any improvements in the health of Poulton-le-Fylde town centre as a result of the Teanlowe Centre scheme remains a priority.

- 1.5.4 Planning permission has also been granted for three large foodstore schemes in edge- and out-of-centre locations within Fylde and Wyre since we completed the FCRS, as follows:
- a 1,617 sq.m gross Lidl foodstore at Preston Road in Lytham (reference: 10/0485), which is now complete;
 - a 2,790 gross foodstore at Heyhouse Lane, Lytham St Annes (reference: 12/0465); and
 - a 7,570 sq.m gross Sainsbury's foodstore off Fleetwood Road North in Thornton (reference 12/00550).
- 1.5.5 Wyre Council has also resolved to grant planning permission to a 4,320 sq. m gross foodstore and local centre at Norcross Lane, Anchorsholme, subject to a s106 agreement. Given the recent developments and commitments in the pipeline, expenditure capacity available to support new retail development in Fylde and Wyre in the convenience goods sector is limited, as identified in the Fylde Coast Retail Study 2013 Update. Expenditure capacity in the comparison goods sector is also relatively limited in Fylde and Wyre. As such, further edge- or out-of-centre retail development has the potential to result in unacceptable adverse impacts on town centres within both Boroughs, and particularly on the more vulnerable centres of Wyre.

1.6 Summary of Findings and Overall Conclusions

- 1.6.1 As our analysis has shown, all of the main centres in Fylde and Wyre are relatively small town centres, both in terms of their total retail floorspace and the size of individual units. They do not provide the volume of retail floorspace or the proportion of large floorplate units that are more typical of higher order centres such as Blackpool and Preston. The largest centre within the two Boroughs is Cleveleys which contains total retail floorspace of around 29,000 sq.m gross (5,500 sq.m convenience and 23,500 sq.m comparison floorspace). The smallest centre is Kirkham which contains approximately 8,280 sq. m gross of retail floorspace (3,770 sq. m of convenience and 4,510 sq. m of comparison floorspace).
- 1.6.2 Our analysis of existing unit sizes indicates that across the seven town centres, the vast majority of existing retail units in each centre provide less than 500 sq.m gross floorspace, and no more than a handful of retail units in each centre provide more than 500 sq.m gross floorspace. Across all centres only 10 per cent of existing convenience units and 4 per cent of existing comparison units exceed 500 sq. m gross. There is little variation in these figures between individual town centres.
- 1.6.3 We have also considered planning applications for new retail floorspace over the last five years which show that there has been a spate of applications, as well as a number of recent permissions, for foodstores with a gross floorspace of over 1,000 sq.m across both Fylde and Wyre, many of which are out-of-centre. Overall, 77 per cent of planning applications have been for gross floorspace of less than 750 sq. m and 23 per cent have been for gross floorspace of more than 750 sq. m. There have been many more planning applications for new retail floorspace in Wyre than in Fylde, although a greater proportion of the applications considered in Fylde have been for larger developments of over 750 sq. m.
- 1.6.4 Having considered all of these local factors and the scope for new retail floorspace development to impact on existing centres, we have concluded that the Councils should not rely on the default threshold of 2,500 sq. m set out at paragraph 26 of the NPPF but should adopt appropriate local floorspace thresholds. These thresholds should apply to any planning

applications for retail development (including extensions and changes of use) where the amount of floorspace proposed is above the stated thresholds.

Recommended Thresholds

- 1.6.5 We recommend the following local floorspace thresholds for the assessment of impact under the terms of paragraph 26 of the NPPF:
- 750 sq.m of gross retail floorspace in Fylde; and
 - 500 sq.m of gross retail floorspace in Wyre.
- 1.6.6 In Fylde we recommend that the Borough Council sets a local floorspace threshold of 750 sq. m gross to reflect the relatively healthy performance of its main town centres and particularly that of St Annes. Lytham and Kirkham are notably smaller than St Annes and developments of over 500 sq.m of gross floorspace may have greater potential to give rise to significant adverse impacts in relation to these centres. However, there are likely to be practical difficulties in applying different floorspace thresholds for different centres when considering out-of-centre development, particularly in relation to the adjacent centres of St Annes and Lytham. Like St Annes, Lytham is considered to be a healthy centre with a strong independent retail offer and, for this reason, we consider that 750 sq.m of gross retail floorspace represents an appropriate threshold. Whilst the performance of Kirkham is of some concern, in practice, any major edge- or out-of-centre comparison retail development in Fylde is likely to be directed to St Annes and Lytham. We therefore consider 750 sq.m of gross floorspace to be the most appropriate threshold for the NPPF assessment of impacts when considering the Borough as a whole.
- 1.6.7 In Wyre, we consider a tighter local floorspace threshold of 500 sq.m gross retail floorspace is more appropriate. Cleveleys and Fleetwood are the two largest centres across Fylde and Wyre. However, Fleetwood is the least healthy of all the town centres and the threat posed to the centre by the Freeport Shopping Village in particular warrants a tighter local floorspace threshold. The performance of Cleveleys Town Centre is also relatively weak in relation to comparison retailing. A local floorspace threshold of 500 sq.m gross retail floorspace will help to ensure that any edge- and out-of-centre retail development will not further jeopardise the vitality and viability of Fleetwood or Cleveleys, and protect the improved performance of Poulton-le-Fylde that is expected to result from the redevelopment of the Teanlowe Centre.