



Main town centre uses – Setting retail impact assessment thresholds (Policy EN21)

January 2021

This background paper has been prepared to:

1. Summarise findings from a case study of Raunds town centre; and
2. Explain proposed impact test thresholds for main town centre uses.

1.0 Introduction and background

- 1.1 The National Planning Policy Framework (NPPF) differentiates between main-town centre and other economic/ employment uses. It emphasises a “town centre first” approach for defined main town centre uses, whereby the national sequential and impact tests should be applied for main town centre uses that are beyond the defined town centres. Table 1 (below) identifies main town centre uses, in accordance with the national definition¹.

Table 1		
Use typology	Previous use class (2015 Use Classes Order, as amended)	Use Class: Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020
Hotels	C1	C1
Retail units (convenience units >280 sq m net sales area, plus all other comparison and convenience retailing)	A1	E
Financial and Professional Services - banking, estate agents, insurance brokers etc (excluding betting offices or payday lenders)	A2	E
Café or restaurant	A3	E
Business/ office (operational or administrative functions)	B1a	E

¹ Table 1 shows the range of main town centre uses, with reference to the updated (2020) Use Classes Order and previous use classes (2015 Use Classes Order, as amended).

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Use typology	Previous use class (2015 Use Classes Order, as amended)	Use Class: Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020
Culture/ public buildings - museums, public libraries, public halls, exhibition halls, places of worship, law courts	D1	E
Indoor leisure - Gyms, indoor sport, recreation or fitness etc	D2	E
Pub/ Drinking Establishment	A4	Sui-Generis²
Hot food takeaways	A5	Sui-Generis
Indoor entertainment - Amusement arcades, betting offices, bingo halls, casinos, cinemas, concert halls, dance halls/ live-music performance venues, laundrettes, nightclubs, theatres	D2	Sui-Generis
Financial services - payday lenders	Sui-Generis	Sui-Generis

- 1.2 In considering the impacts of main town centre uses outside of the town centres, the NPPF requires the preparation of impact assessments for retail, office and leisure uses beyond defined town centres (paragraph 89), except where sites are allocated through a development plan (i.e. the Local Plan Part 2 and/ or a Neighbourhood Plan). The NPPF sets a default maximum 2,500m² threshold floorspace for these main town centre uses before an “impact test” is required but, where appropriate, allows for Local Plans to set a lower local threshold.
- 1.3 In 2015, alongside the evidence gathering process for the Raunds Neighbourhood Plan, the Town Council undertook a detailed survey of properties that make up the Primary Shopping Area to assess the implications of the Government’s relaxation of permitted development rights (the “General Permitted Development Order”) for change of use from business (including retail) to residential.
- 1.4 This paper will consider the following matters:
- Key findings of the Raunds case study;
 - Whether lower impact test thresholds should be applied for the Local Plan Part 2;

² Temporary Covid 19 legislation provides for the change of use for a pub/ drinking establishment to a hot food takeaway

- Implications of changes to the Use Classes Order (September 2020) and Covid-19 pandemic; and
- Setting local impact test thresholds.

2.0 Key findings of the Raunds case study

- 2.1 Raunds Town Council's survey was undertaken for properties that make up the Primary Shopping Area, as defined by the Neighbourhood Plan; to assess the implications of the Government's relaxation of permitted development rights (the "General Permitted Development Order") for change of use from business (including retail) to residential use. The Town Council emphasised that they believe any further erosion of retail properties within the town centre will have a significant and irreversible impact on its viability.
- 2.2 The Town Council's survey was undertaken during spring 2015, in response to three separate prior notification applications³, submitted (at the time) under Part 3 of Schedule 2 (changes of use) of the Town and Country (General Permitted Development) Order 2015. The following findings are noted:
- Of the total street frontage length of buildings surveyed, **42%** of this was in retail use (including currently vacant units);
 - Of the total number of properties surveyed, **43%** of these were in retail use (including currently vacant units).
- 2.3 The Raunds survey, which informed the Neighbourhood Plan, illustrates strong local views regarding the loss of the existing retail base from the town centre, arising from recent changes to planning legislation (permitted development rights). Raunds Town Council emphasised that the town centre is particularly sensitive to such a loss, in that it contains many small retail units.

3.0 Should lower impact test thresholds be applied for the Local Plan Part 2?

- 3.1 As stated, the Raunds survey illustrates strong local views regarding the loss of the existing retail base from the town centre, arising from recent changes to planning legislation (permitted development rights). Raunds Town Council has highlighted that the town centre is particularly sensitive to such a loss, due to the large number of small units.
- 3.2 One way that such losses could be managed is through the introduction of a lower "impact test" threshold in respect of proposals for main town centre uses situated beyond the defined town centre. This could provide additional mechanisms for managing the potential move for main town centre uses away from the six town centres.
- 3.3 The NPPF sets a default maximum 2,500m² threshold floorspace for main town centre uses, before an "impact test" is required (paragraph 89). This is

³ <https://publicaccess.east-northamptonshire.gov.uk/online-applications/applicationDetails.do?activeTab=documents&keyVal=NQ6Z4XGO06400>

reflected in RNP Policy 13, with regards to hotel and leisure uses. Nevertheless, it is necessary to understand the scale of development that the national standard represents in practice. In the case of retailing, consideration has been given to recent retail developments that have been consented and/or constructed, throughout the district. Table 2 (below) identifies those schemes consented since the implementation of the 1st NPPF (March 2012).

Recent proposal or development scheme	Location	Gross floorspace (m²)
Aldi, Attley Way	Irthlingborough	1254
Former Express Works site, Church Street	Irthlingborough	930 (main store)
Waitrose, 66 East Road	Oundle	2203
Lidl, Newton Road	Rushden	2250
Sainsbury's, Cattle Market, Market Road	Thrapston	3341

3.4 Of these recent schemes, only the (unimplemented; now lapsed) Thrapston Cattle Market redevelopment would exceed the national impact test threshold. Notwithstanding, this proposal was a town centre location and, as such, would not entail retail impact assessment in any event.

3.5 On the basis of the above assessment of recent convenience retail schemes (Table 2, above), the 2500m² floorspace threshold is considered to be inappropriate. This is further evidenced by Raunds Town Council's 2015 town centre survey, which concluded that: *"The majority of retail properties within the town are less than 150m² and therefore there is potential for the new permitted development rights to have a devastating effect on the High Street"*. This demonstrates the potential loss of a majority of retail units through permitted development rights, as occupying **less than 150m²** ground floor (retail) floorspace.

3.6 An appropriate retail impact assessment threshold should therefore be applied for main town centre uses. It is essential to ensure that future edge of centre, out of centre and out of town developments for main town centre uses could be tested for their impact upon the town centres. However, any such standards must be proportionate and workable, especially in view of the need for Market Towns to *"provide a strong service role for their local community and wider rural hinterland"*, also (in the case of Rushden) providing *"the focus for major co-ordinated regeneration and growth in employment, housing, retail and higher order facilities"* (JCS Table 1).

4.0 Implications of changes to the Use Classes Order (September 2020) and Covid-19 pandemic

4.1 The 1987 Use Classes Order (and subsequent amendments) has been significantly amended by the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020⁴. This has merged a range of main

⁴ <https://www.legislation.gov.uk/uksi/2020/757/contents/made>

town centre uses (retailing, financial services, cafes/ restaurants, offices, culture and leisure) into a new single Use Class “E” (see Table 1, above). This has implications for the future management of town centres through the planning system, given the wide range of uses covered by Use Class “E”.

- 4.2 The Local Plan Part 2, which has emerged since 2017, has focused upon the need to retain town centres as a focus for retailing. This was previously highlighted by the Raunds case study (section 2.0, above), and reflected in the Raunds Neighbourhood Plan (adopted November 2017).
- 4.3 Of course, it must be recognised that the new legislation allows for the change of use for retail units to a broad range of main town centre uses. This could not have been foreseen as the Plan developed from its formal inception in early 2017.
- 4.4 Notwithstanding, it is recognised that the changes to the Use Classes Order have emerged (at least in part) in response to the 2020-21 Covid-19 pandemic. This has had vast implications for all sectors of the economy; not least the functions of town centres as retail hubs. That said, it must be recognised that the Local Plan Part 2 is looking forward for at least a decade, long after Covid-19 has faded.
- 4.5 The East Northamptonshire Corporate Plan highlights regeneration and economic development as key priorities⁵, emphasising that “*allied to growth must be improvements to the quality of our town centres*”. This is also reflected in the Plan outcomes, which highlights the regeneration of town centres. In particular outcome 9 in the 1st draft Local Plan Part 2 specifies the convenience retailing role for Rushden town centre, while the Joint Core Strategy (Policy 12(f)) specifies the role of the other Market Towns, in providing mainly convenience shopping and local services.
- 4.6 Therefore, the range of adopted policies from which the Local Plan Part 2 should be derived all prioritise the regeneration of town centres, with reference to their roles as **retail** centres. This paper considers these priorities; i.e. the maintenance of a convenience retail presence within the six town centres, by looking at mechanisms to mitigate against the replacements of town centre retail businesses in out of centre/ out of town locations.
- 4.7 The new broad Use Class “E” allows for town centres to diversify further, beyond the scope of development management. Nevertheless, the NPPF still allows for development plans to locally set retail impact assessment thresholds (paragraph 89), although Class “E” could significantly reduce the ability to manage the medium/ longer term usage for existing retail units, but it is still considered justifiable to utilise whatever mechanisms are provide for within the current legislative and policy frameworks.

⁵ https://www.east-northamptonshire.gov.uk/info/100004/your_council/490/the_corporate_plan

5.0 Setting local impact test thresholds

5.1 In setting an appropriate standard, indicative standards were considered at the “Regulation 18” (scoping and options) consultation stage (January – March 2017). The following draft standards were proposed, with reference to the 2015 Raunds study:

- **100m² threshold floorspace** for the Market Towns, recognising acute concerns expressed by Raunds Town Council regarding the loss of smaller retail units (<150m²) from that town centre (Primary Shopping Area);
- **500m² threshold for Rushden**, acknowledging its Growth Town status and in recognition of the statutory “Sunday trading law” (maximum 280m²) floorspace.

5.2 Feedback from the Regulation 18 consultation was reported to the Planning Policy Committee (3 April 2017, Item 5⁶). Sainsbury’s responded to the proposed impact test thresholds for new retail development in Market Towns and Rushden, suggesting that these should be increased.

5.3 The proposed impact test thresholds (above) were also considered during the Stakeholder Workshops consultation stage (May 2017 – April 2018). The proposed 100m² standard, for the Market Towns was considered appropriate. However, the threshold for Rushden was reduced to 280m², to align with the statutory Sunday trading threshold. The example of the Sainsbury’s convenience store (out of centre) at 100 High Street South (Table 2, above) was considered. This 372m² gross floorspace development is restricted by the “Sunday trading law” (maximum 280m² floorspace); whereby Sunday opening times are restricted to 7 hours. The 280m² threshold provides a defensible (legal) distinction between purely local retail premises (i.e. small shops) and those with wider economic effects.

5.4 No objections to the proposed impact test threshold standards were received during the 1st draft Local Plan Part 2 consultation (November 2018 – February 2019). The only representations relating to this issue was a proposal to strengthen the policy wording, to assist decision making, and not the proposed standards themselves.

6.0 Conclusions and recommendations

6.1 This background paper explains the background to the proposed retail impact assessment thresholds set out at Policy EN21 in the 1st draft Local Plan Part 2 (November 2018). It explains the evidence underpinning the standards that are proposed in the Local Plan Part 2:

- **100m² threshold floorspace** for the Market Towns, considering the 2015 Raunds town centre survey;

⁶ https://www.east-northamptonshire.gov.uk/meetings/meeting/760/planning_policy_committee

- **280m² threshold for Rushden**, acknowledging its Growth Town status; aligned to the statutory “Sunday trading law” (maximum 280m²) floorspace.
- 6.2 No objections were received to the proposed threshold standards during the draft Plan consultation (November 2018 – February 2019). While it should be recognised that substantive changes to the Use Classes Order reduce the scope to manage future retail developments through the planning system (predominantly due to the broad scope of the new Use Class “E”), this does not mean that the Local Plan should not use available mechanisms to ensure that changes to the retail sector can continue to be managed in a sustainable way.
- 6.3 Overall, it is proposed that the standards set out at the draft Policy EN21 should be incorporated into the publication (Pre-Submission Draft) version of the Local Plan Part 2. This paper recognises the new legislative framework now in force under the updated (2020) Use Classes Order, but seeks to apply policy to the management of retail developments beyond the town centres in the most effective possible way.

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