

STAGE 1

Matter 8 - Town Centres and Tourism

(Main Evidence Base : SD03 / CD23 / CD24 / EX/07)

Issue

1. **Retail capacity**

Notwithstanding the retail studies is there scope for Matlock in particular increasing its market share so that leakage is reduced?

Response

1. The District Council commissioned GL Hearn to prepare an updated assessment of the quantitative capacity for retail floorspace within the District and assess the performance of town centres within the District. The Derbyshire Dales Retail Study supports development of the local plan (CD24) and was issued in September 2015.
- The Study addresses the requirements of the NPPF and the Planning Practice Guidance which requires assessments of need for main town centre uses to be undertaken in order to provide an evidence base both to support plan-making and decision-making in respect to proposals for retail development.
- There are two core components to the Study. Section 2 considers the vitality and viability of town and local centres within Derbyshire Dales District. This was assessed in light of the PPG indicators which are identified at para 2.2 of CD24 and include:
- diversity of uses
 - proportion of vacant street level property
 - accessibility
 - state of town centre environmental quality
 - perception of safety and occurrence of crime
 - pedestrian flows
 - commercial rents
 - commercial yields on non-domestic property
- Section 3 provides an updated quantitative assessment of retail floorspace capacity. In accordance with the NPPF, the Study assessed:
- the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
 - the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
 - the role and function of town centres and the relationship between them, including any trends in the performance of centres, and
 - the capacity of existing centres to accommodate new town centre development.

The evidence draws on a combination of on-site surveys and desk-top research, and was informed by a new household telephone survey (undertaken in May 2015) which gathered information on expenditure patterns from 700 respondents across Derbyshire Dales District Council and the wider area (see the Survey Area Map at Appendix A of CD24).

The need for new retail floorspace was calculated by examining current shopping patterns, deducing existing market shares of individual shopping destinations in Derbyshire, and projecting the potential turnover of these destinations to future assessment years. This identified how much floorspace was needed in order for retail destinations to retain their position in the network of centres and their market share of available expenditure. This approach allows centres to develop in line with expected expenditure growth and to retain their own market shares.

Convenience Goods

The Study identified (para 3.40) that convenience operators in the vicinity of Matlock had a combined market share of 14.3% in the survey area. It should be remembered that this is a snapshot in time based on the results of the shopper survey. This was the highest market share of any centre within Derbyshire Dales and amounted to a combined turnover of £48.2 million in 2015 (See Tables 5.1 and 5.2 of Appendix D for a breakdown of convenience turnovers).

The Sainsbury's at Cawdor Way was the dominant foodstore in Matlock area (33.5% combined share of Zone 5) with a turnover of £34.7 million from the survey area, the vast bulk of which is drawn from Zone 5. Other popular stores for Zone 5 residents include Morrisons, Belper (15.7%) and Sainsburys, Ripley (4.9%)

A combination of population and expenditure growth will increase the pool of available convenience expenditure over the plan period (forecast to increase by 16.4% across the survey area by 2033). GL Hearn uses efficiency rates, derived from Experian Retail Planner Briefing Note 12.1 Addendum) to ensure that existing floorspace retains a share in this uplift in expenditure.

The Study acknowledged that the turnover of commitments will also have a claim on this expenditure. Looking at the area around Matlock and Wirksworth, Table 8 of Appendix D identified the proposed Sainsbury's extension at Cawdor Way (with an anticipated turnover of £12.6 million) would absorb all of the growth in available expenditure leaving no capacity for new floorspace over the plan period using a constant market share approach.

Discharge of condition applications were submitted and approved in March 2014 (ref: 10/00770/DCOND and 11/00519/DCOND), however these schemes have not been implemented.

Since the completion of the Study, M&S Simply Food have opened in Matlock in the former Co-op building on Bakewell Road. In order to accommodate the turnover of the new store, it is inevitable that trade will have been drawn from various locations. This is likely to include the diversion of trade from elsewhere in Matlock, such as the Sainsburys, but also the clawback of trade from other convenience locations such as the Morrisons, Belper and Sainsburys, Ripley.

Accordingly the introduction of a new convenience store entrant into Matlock is likely to have a positive impact on the market share of Matlock.

In order to fully understand the new convenience market share of Matlock a re-assessment of shopping patterns should be undertaken, but only once stable trading patterns have

been established. This accords with the Practice Guidance which expects that Local Planning Authorities should regularly review their evidence to take into account changes in the market and provision over time.

Comparison Goods

In relation to comparison goods, Matlock town centre had a 6.2% market share of available comparison expenditure in the survey. This amounted to a turnover of £32.5 million in 2015. 93% of this turnover is drawn from Zone 5 (See Table 5 of Appendix E), which suggested that the comparison provision in Matlock performs a local function.

The Study recommended the use of district-wide comparison capacity forecasts, although it did acknowledge that they should be treated as a general indication of quantitative need rather than maximum or minimum floorspace targets. The pool of comparison expenditure in the Study Area is expected to grow by 87% over the plan period. Comparison shopping destinations have a combined market share of 16% and existing floorspace will absorb much of this forecast growth by improving floorspace efficiency.

The commitments at the time of the Study (see Table 18 of Appendix E for a full breakdown of comparison commitments) were expected to have a notional turnover of £16.8 million in 2015 growing to £24.7 million by 2033. This will absorb all the growth in available expenditure in 2020 and 2025. Floorspace capacity is not expected to emerge until 2030 when £3.7 million of residual expenditure should be in a position to support 452 sqm of new net comparison retail floorspace. This capacity will grow to 1,332 sqm (net) by 2033. See table 19 of Appendix E for a full account of the comparison capacity projections.

GL Hearn advised that growth in expenditure forecast in the longer term should be treated with caution given the inherent uncertainties in predicting the economy's performance over time.

In this respect, comparison retailers have continued to respond to prevailing market conditions. The bulky goods warehouse sector has rationalised, including a number of mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Boots, TK Maxx and Poundstretcher. Matalan has also opened numerous discount clothing stores across the UK. Sports clothing retail warehouses including Decathlon and Sports Direct have also expanded out-of-centre.

Within town centres, many high street multiple comparison retailers have changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq.m) with an increasing polarisation of activity into the larger regional and sub-regional centres. It is also noted that the charity shop sector has grown steadily over the past 20 years, with no sign this trend will halt, and the discount comparison sector has also grown significantly in recent years e.g. pound shops.

This lower level of market share, when compared to convenience goods, is not unexpected for comparison shopping patterns in a rural area. Comparison goods are typically purchased on a less frequent basis and by nature of the goods, shoppers tend to compare prices. As such shoppers want to avail themselves of the best possible prices and in respect to larger, more expensive items saving can be significant.

In light of this, centres within Derbyshire Dales are competing with higher order centres such as Sheffield, Chesterfield and Derby. In light of current operators' requirements to consolidate their portfolios into larger units in higher order centres, the scope for enhancing market shares is limited and this is considered as part of the Study as required by the Practice Guidance. Furthermore seeking to enhance the market share of

comparison goods, could see diversions of comparison trade from other centres within the Derbyshire Dales District, as opposed to increasing the clawback of trade from elsewhere.

Conclusions

In relation to convenience goods, the market share of Matlock is expected to have increased due to the improvements in provision, principally through the opening of the new M&S Simply Food. In respect to comparison goods the potential to enhance market share is limited given the existing patterns of consolidation of the comparison goods market into higher order centres and the competition provided by surrounding higher order centres such as Sheffield, Chesterfield and Derby.

Issue

2. **The threshold for retail impact assessment**

Is the threshold retail impact threshold proportionate?

Response

2. During previous rounds of consultation on the Local Plan, comments were received on a number of Policies, including Policy EC5 which sought, amongst other things, to identify a local impact threshold of 200sqm. The consultation raised some concerns over a lack of an evidence base to justify the proposed floorspace threshold figure.

In order to address these concerns, GL Hearn were commissioned to prepare a Retail Thresholds Report (CD23) to consider the following interrelated matters which are relevant to the setting of a local threshold:

- Policy overview;
- Development trends;
- Health of existing centres;
- Existing town centre floorspace characteristics; and
- Recent retail proposals.

Section 2 of the Report sets out the Policy backdrop including the NPPF and the Guidance which considers:

“when should the impact test be used?” This identifies that: In setting a locally appropriate threshold it will be important to consider the following:

- *scale of proposals relative to town centres*
- *the 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*
- *impact on any other planned investment*

In response to the Guidance the recommendation to the Council was to include a local plan wide threshold to require retail impact information to be provided on a proportionate basis. The local floorspace threshold should be set at 300sqm (net) and this has been incorporated into Policy EC6 (3rd and 4th bullets).

Paragraph 26 of the NPPF identifies that when assessing applications for retail, leisure

and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq m).

Setting the proposed local floorspace threshold at 300sqm (net) would be around 20% of the national threshold (based on 300sqm net being converted to a gross figure of 500sqm). The Report identified that this would equate to a size of unit larger than the average comparison unit with all the largest centres (81 sqm), slightly larger than the average size of the convenience units in Ashbourne (273 sqm), but smaller than the average convenience units with in Matlock (380 sqm).

The proposal would also be slightly smaller than the average unit proposed over the last few years in out of centre locations (420 sqm), but it should be noted that only one proposal would have been required to provide supporting sequential and impact information over the last four years.

The 13th bullet point in Policy EC6 seeks to provide further protection to local centres by setting a local floorspace threshold of 200 sqm (net sales area). Local centres such as Matlock Green and Smedley Street, Matlock are traditional in nature, very small in scale (average 15 units) and include units which are inevitably smaller than the averages found in Matlock or Ashbourne. As such their health is more susceptible to the negative impacts of new retail development in out of centre locations.

Accordingly, it is appropriate to include a smaller threshold for these very small local centres identified at Policy EC6 and within the Proposals Maps enclosed at document SD02.

Nevertheless it should also be remembered that the PPG advocates that the level of sequential and impact information provided in support of any application is proportionate and considered in a locally appropriate way and it is recommended that the Council work pro-actively with any applicant when scoping and agreeing the level of supporting retail information required by Policy EC6.

Conclusions

The intended local impact thresholds are proportionate and the Report (CD23) identifies that at 300sqm (net), it will be similar in scale to existing average unit sizes in the higher order centres of Ashbourne and Matlock. If in place previously it would have only have required one scheme to provide supporting impact information over the last four years.

A lower threshold is proposed for schemes relating to local centres and this is appropriate and proportionate to provide additional protection to the vitality and viability of smaller scale, traditional centres.

Furthermore the PPG advocates that the level of sequential and impact information provided in support of any application is proportionate and considered in a locally appropriate way.

Issue	
3.	Tourism and Farm Diversification Policies
	<i>Will the modifications proposed to Policies EC8 and EC10 ensure that they are positively prepared and consistent with national policy?</i>

Response

3. In response to the Inspectors preliminary questions (Document IN/05) the District Council has proposed modifications to Policies EC8 and EC10. It is considered that these modifications ensure that the policies are positively prepared and consistent with national policy.