Shaping Our Place 2026

Local Development Framework

Core Strategy

Policy Direction Paper
Retail

January 2010

Herefordshire Council

NHS Herefordshire

Working in partnership for the people of Herefordshire

CORE STRATEGY POLICY DEVELOPMENT

Core Policy Area (s): Retail including the Rural Areas

Preferred Policy Direction

The Core Strategy needs to include a hierarchy of centres within Herefordshire. Hereford as a settlement of significant development and growth point will remain at the top of this hierarchy. Hereford and the market towns including Ledbury, Leominster, Kington, Bromyard and Ross-on-Wye, will be the focus for a range of retail facilities' and services.

Hereford

The regional plan identifies Hereford as a Strategic Sub-Regional Centre and highlights the need for 40,000 sq m of non-food (comparison) floorspace by 2021, and a possible further 20,000 sq m between 2021 and 2026. It is anticipated that about half of this requirement will be provided as part of the city centre regeneration area. This provision will be as part of the planned extension of the city centre and one of the keys to its success will be integration with the existing town centre.

The retail study highlights the need for additional food store floorspace between 2021 and 2026, primarily due to population growth. The new shopping provision will be reflected within the Hereford Place Shaping Policy in the Core Strategy and within the Hereford Area Plan.

The Hereford Area Plan will define the extent of the town centres and allocate sites for town centre uses and will re-examine and review the primary and secondary shopping frontages.

Market Towns

The current market towns of Bromyard, Kington, Ledbury, Leominster and Ross-on-Wye (which are all defined in the regional plan as 'non-strategic centres' should maintain and promote their existing roles as multi-functioning centres for their rural hinterlands. Each of these market towns needs to promote their vitality and viability, as well as increase the accessibility to a range of services and facilities, through their retail offer.

The Market Towns and Rural Areas Plan will define the extent of the town centres and allocate sites for town centre uses and will re-examine and review the primary and secondary shopping frontages. This DPD will also explore the specific role of each market town in more detail.

Rural Areas

Rural Service Centres will provide services and facilities on a smaller scale to serve the day-to-day needs of local communities and their rural hinterlands.

New shops in villages will be encouraged where they are of appropriate scale and would not threaten the viability of nearby higher order centres. Existing facilities will be protected with a criteria based policy. Farm shops will be encouraged where they utilise existing buildings, are small in scale and cause no unacceptable impact on nearby village shops or the character of the area. The rural retail policies will be detailed in the Market Towns and Rural Areas Plan. Also see the ‘Rural Economy and Diversification’ Policy Development Paper.

1.0 Introduction

1.1 This report provides background information and evidence to support the policy directions that will form part of the Core Strategy Place Shaping Paper. The full policy wording will form part of the pre-submission Core Strategy.

1.2 The Core Strategy will set out the vision and objectives for the Herefordshire Local Development Framework (LDF), together with the ‘place shaping policies’ at a strategic level, explaining how the County as a whole is expected to develop up to 2026.

1.3 The remainder of this report seeks to address the following questions:

- What is the current situation (issue)?
- What is the national, regional and local policy framework?
- What is the available evidence base indicating?
- What can the Core Strategy do?

- What were the results / indications for the Developing Options Consultation?
- What further consultation has taken place?
- What conclusions can be drawn?
- What happens next?

2.0 The need for the policy.

2.1 The need for retail policies in the LDF is justified by requirements from national and regional policies. The PPS6 Retail study identified a number of retail requirements within Hereford and each of the market towns in Herefordshire; this also included a retail floorspace requirement for both food (convenience goods) and non-food (comparison goods), up to 2026. These requirements need to be met through policy either strategically within the Core Strategy or more specifically within the Hereford Area Plan or the Market Towns and Rural Areas Plan.

3.0 The policy framework

PPS4 Planning for Prosperous Economies

3.1 In late December 2009, the Government issued the new Planning Policy Statement 4: Planning for Sustainable Economies, which brings together a number of existing planning policy statements covering economic development topics. This new PPS replaces:

- PPG4: Industrial, commercial development and small firms, 1992;
- PPG5: Simplified Planning Zones, 1992;
- PPS6: Planning for town centres, 2005 and Consultation Draft PPS6, 2008;
- PPS7: Sustainable development in rural areas, as far as it relates to economic development;
- Paragraphs 53, 54 and Annex D of PPG13: Transport.

3.2 The relevant policies within the new PPS4 are EC3 through to EC5, and policies EC14 through to EC17. These are detailed in Appendix 1.

West Midlands Regional Spatial Strategy (RSS)

3.3 The current West Midlands Regional Spatial Strategy (RSS), formerly RPG 11 was published in 2004. The revision of this document is underway –see below.

Development Strategy

3.4 The adopted RSS states that the overall vision for the West Midlands is:

"one of an economically successful, outward looking and adaptable Region, which is rich in culture and environment, where all people, working together, are able to meet their aspirations and needs without prejudicing the quality of life of future generations."

3.5 Four major challenges are identified for the Region:

- Urban Renaissance – developing the MUAs in such a way that they can increasingly meet their own economic and social needs in order to counter the unsustainable outward movement of people and jobs facilitated by previous strategies;
- Rural Renaissance – addressing more effectively the major changes which are challenging the traditional roles of rural areas and the countryside;
- Diversifying and modernising the Region's economy – ensuring that opportunities for growth are linked to meeting needs and that they help reduce social exclusion; and
- Modernising the transport infrastructure of the West Midlands – supporting the sustainable development of the Region.

3.6 Most of Herefordshire is within a Rural Regeneration Zone (RRZ) as identified in the spatial strategy. The RRZ will be the primary focus for rural regeneration in the West Midlands. Local authorities should work with the RRZ Partnership Board to identify initiatives which have spatial implications and to develop policies in their development plans to facilitate those initiatives. In particular, emphasis will be given to measures that include the following:

- supporting existing businesses and attracting appropriate new economic activity;

- strengthening the range and quality of services available to residents through the establishment of a network of rural service centres; and
- improving accessibility to jobs and services.

Retail Strategy

3.7 The revisions to the regional plan also identify Hereford as a "settlement of significant development", where new development will be focused. Within such settlements, the approach will be to encourage residential development, rural regeneration and ensure a balanced network of town and city centres is achieved, serving as a focus for major retail, leisure and office developments, and acting as service centres for their rural hinterland.

3.8 The regional plan states that town and city centres are at the heart of communities throughout the Region and that their future health and attractiveness will be a major determinant of the quality of life for everyone.

3.9 Policies PA11 to PA13 address the key strategic issues affecting town and city centres. Under Policy PA11, Hereford is identified as one of the 25 strategic town and city centres, which will be the focus for:

(i) *"Major retail developments (i.e. those of more than 10,000 sq m gross floorspace, excluding floorspace dedicated to the retailing of convenience goods);*

(ii) *Uses which attract large numbers of people including major cultural, tourism, social and community venues; and*

(iii) *Large scale leisure and office (Class B1a) developments (i.e. those of 5,000 sq m or more gross floorspace".*

3.10 Policy PA11 also states that there are many other centres within the region that meet local needs and states that local authorities should be proactive in encouraging appropriate development to maintain and enhance their function as town centres.

West Midlands RSS - Phase Two Revisions

Report of the Panel: Volume 1 - Report, September 2009

3.11 The Panel report was published in September 2009 following the Examination in Public of the draft Phase 2 Revision conducted between 28th April and 24th June 2009.

3.12 The Panel report contains the conclusions and recommendations on the changes that should be considered for the RSS in light of the examination. There are no fundamental changes to be considered for retail within Herefordshire.

Regional Centres Study, Roger Tym & Partners, 2006

3.13 The RTP Regional Centres Study was published in 2006 to assist the Regional Planning Board in identifying the centres in the Region where major new retail, leisure and office development should be focused. The report has subsequently been updated (November 2007) – see below.

3.14 The paper uses adopted Policy PA11 of the RSS to identify the regional centres to be examined. Hereford is the only centre in Herefordshire covered in the study.

3.15 As part of the qualitative assessment of Hereford, the paper noted that at 2006 Hereford City Centre had a comparison, (i.e. non food), retail stock of 54,800 sq m gross floorspace, which was the 11th highest in the region. The comparison goods turnover for Hereford is noted as £334.32m (2001 prices) with the degree of competition/choice for catchment residents identified as low.

3.16 The localised comparison goods market share for Hereford is demonstrated in table 6.3 of the final report and detailed below:

Zone	Strategic Centre	Comp Gds T/O from Primary Zones	Comp Gds Exp of Primary Zone Residents (£m)	Comp Gds T/O from Study Area	Meas 1	Meas 2
		A	B	C	A/B %	A/C %
46	Hereford	£246.2m	£392.4m	£323.9m	63%	76%

Measure 1: comparison goods turnover drawn from primary zones as a percentage of the comparison goods expenditure of residents in these primary zones; and Measure 2: comparison goods turnover drawn from primary zones as a percentage of all comparison goods turnover drawn from the West Midlands Study Area

3.17 The study noted that Hereford was one of the ten most locally dominant centres for comparison shopping in the region with 63% of turnover drawn from the primary zone (as a percentage of primary zone expenditure, as shown in the above table).

3.18 In regard to the retail sector, the range of comparison goods floorspace requirements for Hereford up to 2021 is indicated. Using six distribution options within an evaluation matrix, the study found that there is a requirement of between 11,000 sq m and 27,000 sq m. sales area for Hereford.

3.19 The Draft Preferred Option, now updated by the Panel Report, states that the economy of the City of Hereford is relatively fragile and, with limits on the existing transport capacity, the extent to which Hereford can accommodate new development is limited. A priority for Hereford therefore will be to ensure that necessary transport infrastructure is provided to deliver the level of planned economic and housing growth, support the area's local regeneration needs and protect its historic heritage. Outside Hereford, further development in the County will be focused within key market towns acting as strategic locations for balanced housing and employment growth whilst continuing to protect the environment and character of Herefordshire.

3.20 Policy PA 12A states that Hereford should plan for the construction of 40,000 sq m gross non-food (comparison) retail floorspace between 2006 and 2021, with an additional 20,000 sq m between 2021 and 2026. These floorspace requirements are based on the West Midlands Centres Study and Update undertaken by Roger Tym and Partners. The requirements are inclusive of commitments at April 2006.

Rural Regeneration Zone Implementation Plan 2007-2010

3.21 Almost all of Herefordshire (except for Hereford itself) lies within the Rural Regeneration Zone. This is the only rural area in the country that has been designated by the Regional Development Agency (Advantage West Midlands) as a key area for investment alongside the region's most deprived urban areas. The Vision is that:

"By 2020, the Rural Regeneration Zone will be a connected rural area with a strong economy, a healthy environment and a rich quality of life for all"

3.22 A key strategic objective for the plan period is to develop a strong, diverse and sustainable rural economy. The challenge for the Zone is to invest in activity that supports the diversification of the economy towards higher waged, knowledge-intensive employment, whilst continuing to develop the more robust aspects of the existing economies of Food and Farming, Tourism and Creative Industries.

3.23 In order to achieve Strategic Objective 1 (to develop a strong, diverse and sustainable rural economy), the document makes specific reference to the Edgar Street Grid scheme. It states that the Rural Regeneration Zone is investing in discrete project activity within the centre of Hereford that adds value to and complements the land and property activity promoted by the Edgar Street Grid Company Ltd.

City Centre Regeneration

3.24 City centre regeneration is being led by ESG Herefordshire Ltd. This is a joint venture development company established by Herefordshire Council and Advantage West Midlands to lead the transformation of Hereford city centre.

3.25 The company's role is to take the preliminary conceptual work of the 2004 Masterplan, develop it further and progress it into a series of deliverable projects all of which sit comfortably with each other and, most importantly, with the surrounding areas of the city.

ESG Masterplan (2008)

3.26 The 2008 ESG masterplan builds on the 2004 work and provides a comprehensive and detailed layout for the development of the ESG area. It seeks to develop in further detail the policy set out in the Unitary Development Plan (UDP) and the broad proposals in the ESG Supplementary Planning Document.

3.27 The vision for the masterplan is to provide an attractive, accessible and safe environment for businesses, shoppers and residents across the study area to deliver the City Centre Expansion Zone and Blackfriars Urban Village with a sense of place and focus for the community and for civic activity.

3.28 The masterplan seeks to prioritise the following:

- the reversal of the current leakage of approximately 70% of potential comparison retail expenditure to other towns and cities in the region through the establishment of a new, mixed use retail quarter;
- the creation of a new east-west link road;
- strategic flood mitigation measures which will benefit significant areas in the northern parts of the city;
- the relocation of the livestock market and Herefordshire Council Information Centre;
- creation of major multi-storey car parking which will serve the city centre;
- the redevelopment of suitable relocation sites for displaced businesses from the area;
- the stimulation of key developments, led by others particularly at the Edgar Street football stadium; and
- strategic infrastructure upgrades to support redevelopment.

Edgar Street Design Framework SPD 2007

3.29 The Herefordshire Council Edgar Street Design Framework Supplementary Planning Document (SPD) was approved by Cabinet in October 2007. The purpose of the SPD is stated as being to:

- establish an urban design framework for the ESG area in a positive and enabling manner providing a design concept early on in the process which will be used to guide landowners, developers and the community on the form development proposals should take.
- address and supplement with additional information, policies contained within the UDP.
- provide greater certainty for the market on what is expected from future schemes.

- ensure delivery of a comprehensive, co-ordinated and sustainable development.

3.30 Regeneration of the city centre is a major commitment within Hereford City that will continue through the LDF plan-period.

Herefordshire Community Strategy (2006)

3.31 The Community Strategy[1] sets out the county's aspirations up until 2020 and its vision is that:

"Herefordshire will be a place where, organisations and businesses working together within an outstanding natural environment will bring about sustainable prosperity and well being for all."

3.32 The key issues relevant to retail and retail facilities which were identified in partnership with local people are: business diversification and enterprise; a safe and pleasant environment to live and work in; and better information on, and access, to local services.

3.33 Five guiding principles, within the Community Strategy, aim to work towards the County becoming more sustainable and address these key issues. These principles are to:

- Realise the potential of Herefordshire, its people and communities
- Integrate sustainability into all our actions
- Ensure an equal inclusive society
- Build on the achievement of partnership working and ensure continual improvement
- Protect and improve Herefordshire's distinctive environment

3.34 The Community Strategy has various themes and the one relevant to retail and retail facilities is: 'Economic Development and Enterprise', which seeks to improve business opportunities in Herefordshire enabling sustainable prosperity for all.

[1] The Herefordshire Partnership, The Community Strategy for Herefordshire "A Sustainable Future for the County", 2006

3.35 The Local Area Agreement (LAA)[2] is agreed through partnership working and aims to demonstrate how the County's priorities will be addressed to aid a better quality of life. It has the same themes as the Community Strategy with an additional theme on the environment following the decision to split the combined theme "safer and stronger communities". The priorities relevant for Retail under these themes in the LAA are to: improve the availability of sustainable services and facilities and access to them; and increase the economic potential of the county, with particular regard to higher skilled and better-paid jobs.

Unitary Development Plan (2007)

3.36 Until the Local Development Framework is adopted the Council is in the process of saving appropriate UDP policies[3]. This process of saving policies has identified the following policies that are relevant to retail and retail facilities within Herefordshire, which include policies:

- S5 (Town Centres and Retail);
- TCR1 (Central shopping and commercial areas);
- TCR2 (Vitality and viability);
- TCR3 (Primary shopping frontages);
- TCR4 (Secondary shopping frontages);
- TCR8 (Small scale retail development);
- TCR9 (Large scale retail and leisure development outside central shopping and commercial areas)

All of the above policies with the exception of Policy TCR8 (small-scale retail development) have been saved beyond the period of the current UDP until replaced by the Core Strategy.

4.0 Evidence base

4.1 Below are the findings of the PPS6 Retail Study 2009 in relation to existing guidance and policy issues that are of particular relevance to consideration of further development of retail and other town centre uses in the period to 2026.

[2] The Herefordshire Partnership Herefordshire Story of Place Local Area Agreement 2008-2011

[3] 15th May 2009 Planning Committee Report, Herefordshire UDP Saved Policies

New Comparison Goods Retail Floorspace in Hereford City

4.2 The RSS Phase Two Revision Draft Preferred Option identifies requirements for new comparison goods retail floorspace in Hereford City (as a strategic centre) for the period up to 2026.

Edgar Street Grid

4.3 The Edgar Street Grid in Hereford is a major city centre committed redevelopment project, implementation of which will extend well into the LDF plan period.

CSCAs and their boundaries

4.4 The UDP defined Commercial and Shopping Central Areas (CSCAs) form an important planning policy tool within Hereford City and the five market towns. The LDF will need to reconsider the justification for CSCAs and appropriate boundaries through the Hereford Plan and Market Towns & Rural Areas Plan.

Primary and Secondary Shopping Frontages

4.5 The LDF will also need to reconsider the justification for the primary and secondary shopping frontages contained within the adopted UDP.

Proposals Map Site Allocations

4.6 The UDP Proposals Map contains site allocations, some of which remain unimplemented. The LDF will need to reconsider the justification for these allocations.

Food (Convenience Goods) Retail

4.7 The assessment illustrates the limited capacity for further convenience goods floorspace within each of the key settlements within the Study Area – Hereford City, Kington, Leominster, Bromyard, Ledbury and Ross-on-Wye.

Hereford City – Zone 1

4.8 Zone 1 representing the convenience goods expenditure catchment of Hereford City, contains some 60% of the Study Area population and therefore the bulk of the Study Area available convenience goods expenditure. In overall terms there is no quantitative need for new convenience floorspace over the next 5 years. The need arising by 2016 is more than accounted for by the city centre regeneration, which have estimated could account for some £25m convenience turnover at that date.

4.9 By 2026 additional capacity has emerged, which translates into circa 3,979 sq m (gross) retail floorspace based on 'discount store' style retailing and circa 1,463 sq m (gross) based on 'quality store' retailing.

4.10 The growth in convenience goods expenditure capacity in Hereford City is primarily due to planned population growth over the forecast period. Convenience goods shopping facilities need to be close to residential areas, therefore it may be desirable to provide some of this new floorspace outside the City Centre within new housing expansion areas.

Market Towns

4.11 Analysis of the market towns indicates that Leominster (Zone 3) contains the highest level of theoretical capacity. The town has a strong market share achieving an expenditure surplus of circa £7.3m at 2007, rising to £8.1m in 2011 and £11m in 2016. At the base year of 2007 the level of growth translates into capacity for circa 845-2,300 sq m (gross). Some of this capacity will have been absorbed into the planning consent for a store extension to Morrisons at Baron's Cross Road granted in August 2008. The theoretical floorspace capacity increases as overall available expenditure grows over time.

4.12 Analysis of the other zones indicates that Kington (zone 2) and Ledbury (zone 5) show the strongest positive capacity levels over the forecast period. It is interesting to note that Kington has an expenditure surplus of some £0.8m at the base date of 2007; and that its current market share is only some 53% of total available expenditure. Furthermore the surveys suggest that the town is trading above benchmark levels (Table 14) - principally due to the Co-Operative store. Theoretically, this indicates potential for more convenience floorspace in the town with available expenditure being lost to other centres.

4.13 Unlike Kington, Ledbury (Zone 5) retains a much higher proportion of available expenditure (79%). Whilst Ledbury does not show positive capacity at 2007, by 2016 there is potential for some 237-645 sq m (gross) convenience floorspace, which continues to increase over the forecast period.

4.14 The analysis of Bromyard (Zone 4) indicates very limited surplus expenditure. The town has a negative value until 2026 when capacity begins to show positive values at some £0.3m. The survey results suggest that existing retail facilities within this zone are trading below benchmark levels. Our 'on the ground' inspections of the town also suggest that there may be a surfeit of floorspace in some parts of the town centre.

4.15 For Ross-on-Wye (Zone 6) retail capacity is influenced by the commitment for an additional foodstore at Brookend Street in the town centre. At 2007, expenditure capacity is in balance. Implementation of the commitment at Brookend Street absorbs the expenditure growth arising by 2016, so that no additional capacity emerges at that date. Capacity achieves positive values in 2021 onwards, increasing to some £1.8 in 2021 and £5m in 2026.

4.16 It is relevant to note that this analysis assumes the existing market share of Ross-on-Wye (some 67%) will remain constant. The new foodstore will enhance the retail offer of Ross-on-Wye, which could in-turn increase the town centre's market share of expenditure from its catchment area, thus increasing convenience retail capacity within the town.

Non-food (Comparison Goods) Retail

4.17 The theoretical expenditure forecasts indicate that there is substantial available comparison goods expenditure to support comparison goods retail floorspace growth in Herefordshire after 2011.

Hereford City

4.18 The analysis identifies significant capacity for further comparison goods retail development within Hereford City, driven by significant planned population growth within the County as well as growing expenditure per head on comparison goods. The Study Area that was used for the assessment, broadly relating to the administrative County, is illustrative of the sub-regional role and function of Hereford City.

4.19 The forecasts relate to Hereford City as a whole. Unlike convenience goods shopping facilities, which have local catchments, and are therefore more widespread through the City, comparison goods shopping facilities are located predominantly in the City Centre. The major exception is bulky goods retail warehouse facilities located in retail parks such as at Holmer Road.

4.20 Planning policy seeks to steer new comparison goods retail facilities to town centre locations, and no longer makes a *prima facie* distinction between different types of retailing in terms of their location requirements. Therefore forecasts have been made for the City as a whole. The location of new facilities (City Centre or elsewhere) will be a matter to be determined by planning policy and the exercise of development control. It was noted that 69% of Study Area comparison shopping expenditure is attracted to Hereford City and 55% specifically to Hereford City Centre.

4.21 Household interview surveys undertaken in 1994 indicated that at that time Hereford City attracted 64% of ‘high street comparison shopping’ from a much wider defined catchment area, which included Monmouth and Abergavenny in the south and Brecon and Builth Wells in the west. It is not possible to make a direct comparison between the findings of the two surveys, because of the significant difference in the catchment areas. However, the assessment shows reduced market share figure for a more tightly defined catchment area, which suggests that Hereford’s market share has declined over the last 14 years.

4.22 The assessment indicates that there was some £73m of surplus available comparison goods expenditure at 2007. This declines over the five year period to 2011, due to limited expenditure growth and assumed implementation of commitments. Allowance has been made for implementation of the city centre regeneration proposals by 2016. On the basis of the current scheme at the time of analysis of the report, including a department store and unit shops, it will absorb £100m of comparison goods retailing.

4.23 The assessment shows that, having allowed for the city centre regeneration proposals and other commitments, there would be a small residual surplus comparison goods expenditure of some £18m. Post 2016, the expenditure surplus rises to some £109m by 2021 and £229m by 2026.

4.24 The expenditure surplus translates into a floorspace equivalent of some 18,150 sq m. (gross) at 2007, declining to circa 15,800 sq m. (gross) in 2011 following the assumed completion of retail commitments (mainly out of centre). At 2016 most of the floorspace requirement is accounted for by the city centre regeneration proposals coming on stream, but it builds up again to some 24,000 sq m gross by 2021 and 47000 sq m gross by 2026.

The Market Towns

4.25 The analysis for the individual market towns illustrates that these centres currently retain significantly lower levels of expenditure than Hereford City. With all the market towns, the market shares for comparison goods lie below 40%. Further analysis of these market shares reveals a significant flow of expenditure to Hereford as the County Town. This pattern of retailing is not surprising for comparison goods, given the extensive range of comparison retail facilities within Hereford City compared to the market towns. It is also interesting to note the flow of expenditure to larger facilities outside the Study Area, including Worcester, Cheltenham, Gloucester and other locations.

4.26 The market shares of the market towns within Herefordshire have a direct relationship to the level of surplus available expenditure capacity within these centres. In particular the towns of Kington and Bromyard retain the lowest proportions of comparison goods expenditure with market shares of only 9% and 13% respectively. Whilst some of the expenditure loss may flow to retail facilities elsewhere within their zones, this will be a small element of expenditure only. These market share levels therefore illustrate the heavy outflows of comparison goods expenditure principally to Hereford City and other centres such as Worcester (particularly from Bromyard zone).

4.27 The theoretical capacity for further comparison retailing in Kington and Bromyard is shown as being limited, with no theoretical capacity over the assessment period.

4.28 Within the other market towns, surplus available expenditure arises over the assessment period. For Leominster, Ledbury and Ross-on-Wye theoretical capacity arises in 2026 with scope to accommodate some 3,250 sq m (gross) in Leominster, 2,650 sq m (gross) floorspace in Ledbury and 3,500 sq m (gross) floorspace in Ross on Wye.

4.29 It is important to bear in mind that the forecasts of potential for new comparison goods floorspace in the market towns are low, because the assessments assume that the low retention rate of available expenditure and heavy expenditure outflows, to Hereford City in particular, will continue.

4.30 The market has brought about the current situation with limited comparison goods investment in these centres. However, it may well be a situation that planning policy would wish to change, if the opportunity arose. If, for example, new comparison goods retail investment were proposed in the centre of a market town, which would increase trade retention and market share, this would no doubt be welcomed by the Council. The capacity thresholds for the market towns shown in our assessments are more a representation of the current market circumstances in these towns, rather than capacity indicators to be built into planning policy.

5 What can the Core Strategy do?

5.1 The Core Strategy, Developing the Vision and Objective background paper, January 2010[4] sets the vision for the County as seeking "…sustainable development fostering a high quality of life for those who live, work and visit here…interdependence of economic prosperity and environmental quality with the aim of increasing the county's self-reliance and resilience." Any policy on retail should relate to this in order to address the key issues, also set out in the January 2010 paper, of "provision/access to important services/facilities", "providing for the needs of all generations", "diversification of the economy", and "regeneration of the County"

5.2 The Economic Prosperity objectives, objective 7 and 8 of the Core Strategy Vision and Objective Background Paper, "to strengthen Hereford's role as a sub-regional focus for the county, through city centre expansion as part of a wider city regeneration" and "to improve the economic viability of the market towns…by facilitating employment generation and diversification…"

[4] The Core Strategy Developing the Vision and Objective background paper July 2009 is available at http://www.herefordshire.gov.uk/docs/Vision_and_Objectives_July_2009(1).pdf

5.3 The Environmental quality objective 10 of the Core Strategy Paper, requires development "to achieve sustainable communities…by delivering well-designed places, spaces and buildings…"

5.4 However, potential criteria for the area specific policies will satisfy these objectives and the key issues.

.6.0 Developing Options Consultation Results

6.1 The Developing Options consultation was undertaken in summer 2008. This paper contained a number of possible policy options for consideration with regards to retail and access to facilities. The following options were given:

<u>Hereford</u>

Q19 How do we want Hereford to improve as a centre?

1. Plan for whole town centre; or
2. Define specific 'quarters'

All of the options received support, but the most favoured option was option 1.

Number of respondents 805
Option 1: 59%
Option 2: 41%
Number of no opinion / answer not provided – 177

Q20 What range of shops should Hereford offer?

1. Protect the existing shopping provision of a range of smaller independent and specialist shops, whilst supporting the Edgar Street Grid development as a preferred location for larger units; or
2. Seek to increase the range and mix of retail unit sizes offered across the city including the Edgar Street redevelopment.

All options received some support, but the most favoured option was option 1.

Number of respondents: 782

Option 1: 61%

Option 2: 39%

Number of no opinion / answer not provided – 200

6.2 There were 388 additional comments[5] on the development of Hereford section that suggested improvements to the options. The comments that relate to retail are reproduced in Appendix 2.

Sustainability Appraisal & Habitat Regulation Assessment

6.3 The Sustainability Appraisal[6] carried out at Developing Options Stage showed that all options for Hereford City, as shown above, were considered to be moving towards sustainability. In terms of Habitat Regulation Assessment[7] all options for the first question, of how to improve Hereford as a City centre, would enable reductions in air pollution levels but place pressure on water levels/quality and air quality. For the second question of what range of shops should be offered, the HRA highlights that both of the options are likely to increase traffic emissions which could affect air quality. No clear alternatives from the SA or HRA assessment process were identified.

6.4 Market Towns

Q30 How should we protect shops in the market towns?

Option 1: Define primary and secondary shopping frontages;

Option 2: Define primary frontages only; or

Option 3: Allow market forces to prevail.

There was a clear preferred option to this question, option 1 to define both primary and secondary frontages.

Number of respondents: 775

[5] Core Strategy Developing Options Analysis Schedules March 2009

[6] Core Strategy Developing Options Paper Sustainability Appraisal June 2008 (amended March 2009)

[7] Core Strategy Habitat Regulation Assessment June 2008 (amended March 2009)

Option 1: 78%

Option 2: 6%

Option 3: 16%

Number of no opinion / answer not provided: 207

6.5 There were 302 additional comments[8] on the development of the market towns that suggested improvements to the options. The comments that relate to retail included:

- Promote local shopping / greater selection of town centre shops
- Reduce empty / food / charity shops

6.6 The Sustainability Appraisal[9] showed that options 1 and 2 for Market towns, as shown above, are considered to be neutral, whereas option 3 is seen as moving away from sustainability. The Habitat Regulation Assessment[10] highlighted air quality being affected by Option 1 and 2, with Option 3 also having an impact on water quality, nitrogen enrichment and soil erosion. No clear alternatives from the SA or HRA assessment process were identified.

6.7 The Developing Options consultation did not identify any distinctive, reasonable alternative options to those already consulted upon.

6.8 The consultation responses are suggesting that the current stance of protecting town centres by the use of primary and secondary shopping frontages should be continued.

7.0 Further consultation to be undertaken

7.1 It is proposed to consult the following organisations in developing the draft policy wording, Edgar Street Grid Company, Advantage West Midlands, Hereford City Council, Federation of Small Business, Herefordshire Chamber of Commerce, West Midlands Regional Assembly, Hereford City partnership and internally; Development Management, Economic Development, Town Centre Managers.

[8] Core Strategy Developing Options Analysis Schedules March 2009

[9] Core Strategy Developing Options Paper Sustainability Appraisal June 2008 (amended March 2009)

[10] Core Strategy Habitat Regulation Assessment June 2008 (amended March 2009)

8.0 Conclusion

8.1 The consultation comments identified that there were outstanding issues in the market towns of protecting the existing town centres and retail within the market towns and also to explore the specific role of the market towns, these issues will be identified and explored specifically through the Market Towns and Rural Areas DPD.

8.2 The evidence base identified a need to improve retailer demand and confidence in the market within Ross-on-Wye, Leominster, Bromyard and Kington to help improve these centres and to increase both comparison and convenience expenditure. Ledbury currently has this market confidence as more of a niche market which can easily draw new retailers into the town.

8.3 Within the evidence base it also identified the need to review the primary and secondary shopping frontages within Hereford City and all five market towns through the LDF. This will be looked at in the Hereford Area Plan for Hereford city, and the Market Towns and Rural Areas Plan for the Market Towns.

9.0 Way forward

9.1 Further consultation will be undertaken with the groups and bodies indicated within section 7 to assist in the formulation of the specific criteria to be contained within the town centres and retail core policy, and for reviewing the primary and shopping frontages within Hereford and the Market Towns for the relevant DPDs.

9.2 The hierarchy of shopping centres will be detailed in the relevant Core Strategy. As far as the locational requirements of the retail floorspace, national guidance, PPS4, sufficiently details the restrictions to where this additional floorspace should be allowed.

9.3 The impact of the town centres and retail policies will be closely monitored to ensure that they are having the desired effect of allocating the retail floorspace as detailed within the evidence base. Information will be collected from planning applications data and will be included in the Annual Monitoring Report.

Appendix 1

PPS4 – Relevant Policies

Policy EC3

EC3.1 local planning authorities should, as part of their economic vision for their area, set out a strategy for the management and growth of centres over the plan period. This includes:

- set flexible policies for their centres which are able to respond to changing economic circumstances and encourage, where appropriate, high-density development accessible by public transport, walking and cycling;
- define a network (the pattern of provision of centres) and hierarchy (the role and relationship of centres in the network) of centres that is resilient to anticipated future economic changes, to meet the needs of their catchments having;

  1/ make choices about which centres will accommodate any identified need for growth in town centre uses, considering their expansion where necessary, taking into account the need to avoid an over concentration of growth in centres. Identified deficiencies in the network of centres should be addressed by promoting centres to function at a higher level in the hierarchy or designating new centres where necessary, giving priority to deprived areas which are experiencing significant levels of 'multiple deprivation' where there is a need for better access to services, facilities and employment by socially excluded groups

  2/ ensured any extensions to centres are carefully integrated with the existing centre in terms of design including the need to allow easy pedestrian access

  3/ where existing centres are in decline, considered the scope for consolidating and strengthening these centres by seeking to focus a wider range of services there, promoting the diversification of uses and improving the environment

  4/ where reversing decline in existing centres is not possible, considered. reclassifying the centre at a lower level within the hierarchy of centres, reflecting this revised status in the policies applied to the area. This may include allowing retail units to change to other uses, whilst aiming, wherever possible, to retain opportunities for vital local services.

- define the extent of the centre and the primary shopping area in their Adopted Proposals Map having considered distinguishing between realistically defined primary and secondary frontages in designated centres and set policies that make clear which uses will be permitted in such locations;
- consider setting floorspace thresholds for the scale of edge-of-centre and out-of-centre development which should be subject to an impact assessment under (EC16.1) and specify the geographic areas these thresholds will apply to;
- define any locally important impacts on centres which should be tested (see e. policy EC16.1.f);

- encourage residential or office development above ground floor retail, leisure or other facilities within centres, ensuring that housing in out-of-centre mixed-use developments is not, in itself, used as a reason to justify additional floorspace for main town centre uses in such locations;
- identify sites or buildings within existing centres suitable for development, conversion or change of use;
- use tools such as local development orders, area action plans, compulsory purchase orders and town centre strategies to address the transport, land assembly, crime prevention, planning and design issues associated with the growth and management of their centres.

<u>Policy EC4</u>

EC4.1 Local planning authorities should proactively plan to promote competitive town centre environments and provide consumer choice by:

- supporting a diverse range of uses which appeal to a wide range of age and social groups, ensuring that these are distributed throughout the centre;
- planning for a strong retail mix so that the range and quality of the comparison and convenience retail offer meets the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre;
- supporting shops, services and other important small scale economic uses (including post offices, petrol stations, village halls and public houses) in local centres and villages.
- identifying sites in the centre, or failing that on the edge of the centre, capable of accommodating larger format developments where a need for such development has been identified
- retaining and enhancing existing markets and, where appropriate, re-introducing or creating new ones, ensuring that markets remain attractive and competitive by investing in their improvement taking measures to conserve and, where appropriate, enhance the established character and diversity of their town centres.

EC4.2 Local planning authorities should manage the evening and night-time economy in centres, taking account of and complementing the local authority's Statement of Licensing Policy and the promotion of the licensing objectives under the Licensing Act 2003. Policies should:

- encourage a diverse range of complementary evening and night-time uses which appeal to a wide range of age and social groups, making provision, where appropriate, for leisure, cultural and tourism activities such as cinemas, theatres, restaurants, public houses, bars, nightclubs and cafes, and
- set out the number and scale of leisure developments they wish to encourage taking account of their potential impact, including the cumulative impact, on the character and function of the centre, anti-social behaviour and crime, including considering security issues raised by crowded places, and the amenities of nearby residents.

Policy EC5

EC5.1 Local planning authorities should identify an appropriate range of sites to accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for disaggregation. An apparent lack of sites of the right size and in the right location should not be a reason for local planning authorities to avoid planning to meet the identified need for development. Local planning authorities should:

- base their approach on the identified need for development;
- identify the appropriate scale of development, ensuring that the scale of the sites b. identified and the level of travel they generate, are in keeping with the role and function of the centre within the hierarchy of centres and the catchment served;
- apply the sequential approach to site selection (see policy EC5.2);
- assess the impact of sites on existing centres (see policy EC5.4);
- consider the degree to which other considerations such as any physical regeneration benefits of developing on previously-developed sites, employment opportunities, increased investment in an area or social inclusion, may be material to the choice of appropriate locations for development

EC5.2 Sites for main town centre uses should be identified through a sequential approach to site selection. Under the sequential approach, local planning authorities should identify sites that are suitable, available and viable in the following order:

- locations in appropriate existing centres where sites or buildings for conversion are, or are likely to become, available within the plan period
- edge-of-centre locations, with preference given to sites that are or will be well- connected to the centre
- out-of-centre sites, with preference given to sites which are or will be well served by a choice of means of transport and which are closest to the centre and have a higher likelihood of forming links with the centre

EC5.3 Sites that best serve the needs of deprived areas should be given preference when considered against alternative sites with similar location characteristics.

EC5.4 In assessing the impact of proposed locations for development under EC5.1.d, local planning authorities should:

- take into account the impact considerations set out in Policy EC16, particularly for developments over 2,500 sq m or any locally set threshold under EC3.1.d, ensuring that any proposed edge of centre or out of centre sites would not have an unacceptable impact on centres within the catchment of the potential development;
- ensure that proposed sites in a centre, which would substantially increase the attraction of that centre and could have an impact on other centres, are assessed for their impact on those other centres, and
- ensure that the level of detail of any assessment of impacts is proportionate to the scale, nature and detail of the proposed development.

EC5.5 Having identified sites for development, local planning authorities should allocate sufficient sites in development plan documents to meet at least the first five years identified need. Where appropriate, local development frameworks should set out policies for the phasing and release of allocated sites to ensure that those sites in preferred locations within centres are developed ahead of less central locations.

EC5.6 Local authorities should make full use of planning tools to facilitate development, including compulsory purchase orders and other planning tools including area action plans, simplified planning zones and local development orders.

Policy EC14

This policy relates to the supporting evidence that should accompany planning applications for town centre uses.

EC14.1 References in this policy to planning applications for main town centre uses include any applications which create additional floorspace, including applications for internal alterations where planning permission is required, and applications to vary or remove conditions changing the range of goods sold.

EC14.2 The town centre policies in this PPS apply to planning applications for the above uses unless they are ancillary to other uses. Where office development is ancillary to other forms of economic development not located in the town centre there should be no requirement for such offices to be located in the town centre.

EC14.3 A sequential assessment (under EC15) is required for planning applications for main town centres uses that are not in an existing centre and are not in accordance with an up to date development plan. This requirement applies to extensions to retail or leisure uses only where the gross floor space of the proposed extension exceeds 200 square metres.

EC14.4 An assessment addressing the impacts in policy EC16.1 is required for planning applications for retail and leisure developments over 2,500 square metres gross floorspace or any local floorspace threshold set under policy EC3.1.d not in an existing centre and not in accordance with an up to date development plan.

EC14.5 In advance of development plans being revised to reflect this PPS, an assessment of impacts in policy EC16.1 is necessary for planning applications for retail and leisure developments below 2,500 square metres which are not in an existing centre and not in accordance with an up to date development plan that would be likely to have a significant impact on other centres.

EC14.6 An impact assessment dealing with the impacts set out in policy EC16.1 is also required for planning applications in an existing centre which are not in accordance with the development plan and which would substantially increase the attraction of the centre to an extent that the development could have an impact on other centres.

EC14.7 Assessments of impacts should focus in particular on the first 5 years after the implementation of a proposal and the level of detail and type of evidence and analysis required in impact assessments should be proportionate to the scale and nature of the proposal and its likely impact. Any assumptions should be transparent and clearly justified, realistic and internally consistent.

EC14.8 Local planning authorities should respond positively to approaches from applicants to discuss their proposals before a planning application is submitted and seek to agree the type and level of information that needs to be included within an impact assessment.

Policy EC15:

This policy gives criteria for the consideration of sequential assessments for planning applications for main town centre uses that are not in a centre and not in accordance with an up-to-date development plan

EC15.1 In considering sequential assessments required under policy EC14.3, local planning authorities should:

- ensure that sites are assessed for their availability, suitability and viability. a.
- ensure that all in-centre options have been thoroughly assessed before less b. central sites are considered
- ensure that where it has been demonstrated that there are no town centre sites c. to accommodate a proposed development, preference is given to edge of centre locations which are well connected to the centre by means of easy pedestrian access
- ensure that in considering sites in or on the edge of existing centres, developers d. and operators have demonstrated flexibility in terms of:

  i. scale: reducing the floorspace of their development;
  ii. format: more innovative site layouts and store configurations such as multi-storey developments with smaller footprints;

  iii. car parking provision; reduced or reconfigured car parking areas; and

  iv. the scope for disaggregating specific parts of a retail or leisure development, including those which are part of a group of retail or leisure units, onto separate, sequentially preferable, sites. However, local planning authorities should not seek arbitrary sub-division of proposals.

EC15.2 In considering whether flexibility has been demonstrated under policy EC15.1 above, local planning authorities should take into account any genuine difficulties which the applicant can demonstrate are likely to occur in operating the proposed business model from a sequentially preferable site, for example where a retailer would be limited to selling a significantly reduced range of products. However, evidence which claims that the class of goods proposed to be sold cannot be sold from the town centre should not be accepted.

Policy EC16:

This policy details the criteria for the impact assessment for planning applications for main town centre uses that are not in a centre and not in accordance with an up-to-date development plan.

EC16.1 Planning applications for main town centres uses that are not in a centre (unless EC16.1.e applies) and not in accordance with an up to date development plan should be assessed against the following impacts on centres:

- 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
- the impact of the proposal on town centre vitality and viability, including local consumer choice and the range and quality of the comparison and convenience retail offer
- the impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan
- in the context of a retail or leisure proposal, the impact of the proposal on in-centre trade/turnover and on trade in the wider area, taking account of current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made, and, where applicable, on the rural economy
- if located in or on the edge of a town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres
- any locally important impacts on centres under policy EC3.1.e

<u>Policy EC17:</u>

This policy gives the criteria for the consideration of planning applications for development of main town centre uses not in a centre and not in accordance with an up-to-date development plan.

EC17.1 Planning applications for main town centre uses that are not in an existing centre and not in accordance with an up to date development plan should be refused planning permission where:

- the applicant has not demonstrated compliance with the requirements the sequential approach (policy EC15); or
- there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of impacts set out in policies EC10.2 and 16.1 (the impact assessment), taking account of the likely cumulative effect of recent permissions, developments under construction and completed developments.

EC17.2 Where no significant adverse impacts have been identified under policies EC10.2 and 16.1, planning applications should be determined by taking account of:

- the positive and negative impacts of the proposal in terms of policies EC10.2 and 16.1 and any other material considerations; and
- the likely cumulative effect of recent permissions, developments under construction and completed developments

EC17.3 Judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date). Recent local assessments of the health of town centres which take account of the vitality and viability indicators in Annex D of this policy statement and any other published local information (such as a town centre or retail strategy), will also be relevant.

Appendix 2

Additional comments from the Developing Options consultation:

- Edgar Street Grid (ESG) is not the best location for new shopping. Restrict ESG to a minimum and concentrate on new development and growth and enhancement on original town centre;
- ESG does not link and divides the town centre. ESG need to be integrated with the city centre;
- ESG needs to be reviewed/reconsidered/removed/alternative options; and
- Preserve Independent retailers, encourage small specialist shops, foster distinctiveness and avoid dominance of national chains.

Further comments from key stakeholders can be found in the Core Strategy: Developing Options Analysis Schedules, March 2009.