

SPP Review - Priorities for Change

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Policy Ideas

The review is of the SPP as a whole – please consider connections and tensions between policy subjects

Policy Subject/s : Sustainable Economic Development and Town Centres and Retailing

What works?

Town Centres and Retailing

Tesco supports the policy requirement for Planning Authorities to identify a network of centres and welcomes the town centre first principle within the current SPP. Any future policy should maintain the requirement for Planning Authorities to identify a network of centres and encourage a pragmatic approach when town centre boundaries are reviewed in the context of the Local Development Plan. The town centre first approach should be maintained in any future policy, although policy should make it clear that town centre sites are not always suitable and available for retail proposals. Policy should also encourage Planning Authorities to take a realistic approach to retail proposals and balance the need to promote town centres first with the commercial realities of retail development. Some edge of centre locations with strong connections to town centres can be more suitable locations for retail developments. There also needs to be an acknowledgement that town centres sites can be complex to develop, require more resources and result in greater risk to investors – policy on this could help ensure Planning Authorities take cognisance of the economic challenges associated with bring forward retail developments.

There are few examples of Planning Authorities completing health checks as promoted in paragraph 59 of the SPP. Nevertheless it is considered that this approach should be supported in any future policy. The vitality and viability indicators are used for assessments by companies and on occasions retail planning consultants have used these indicators when providing information to support a planning application, although we suggest the removal of prime rental values and commercial yield as suggested indicators for vitality and viability as in many centres, particularly outside city centres, there is insufficient churn in owners and/or tenants to provide the sufficient market rental and yield information.

The sequential approach is an established and accepted part of retail planning policy and should be maintained in any future policy. A significant change in the policy would undermine existing practices, add complexity to the planning process and increase investment risk. The operation of the sequential approach was debated in detail during the Tesco Stores Limited v Dundee City Council (court reference [2012] UKSC 13) and the preceding court cases. The Dundee decision highlights that when undertaking a sequential assessment the sites being considered need to be suitable for the development as proposed by the applicant rather than suitable for meeting any deficiencies in retail provision in the area. Maintaining the wording in the first bullet point in paragraph 63 of the SPP is recommended.

While it is accepted that a planning authority should take into account the size of a proposed development and the type and range of goods being sold, it should continue to be the case that the identity of the proposed operator is not a relevant consideration in the planning process. Any shift in policy to look at the identity of the operator in the planning process would be a fundamental and inappropriate alteration to the basis of planning in not just Scotland, but the UK as a whole.

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What doesn't work?

Town Centres and Retailing

Paragraph 55 of the SPP mentions an assessment of need. 'Need' has been used in the past in the consideration of retail planning applications, but retail policy across the UK has shifted away from any 'Needs Test'. Any new policy should avoid the mention of need and instead maintain the approach of assessing impacts on town centres. Any additional tests or hurdles in retail planning policy could result in complexity, increase the risk for developers and deter investment – this is a particularly salient issue in the current economic climate.

Policy should encourage Planning Authorities to take a proactive approach to attracting and securing investment in town centres. At the same time authorities need to be realistic about the prospect of securing retail or leisure investment in marginal locations, or where town centres are in decline, and seek to encourage alternative uses that can address concerns around high vacancy rates and ensure the development of gap sites. Planning Authorities could do more to address the challenges facing town centres such as assessing whether the existing retail unit sizes are suitable, addressing whether servicing restrictions are holding back development, effectively managing parking regimes and improving the shopping environment.

The policy tests set out in paragraph 64 of the SPP currently applies to retail and commercial leisure developments that are contrary to the development plan. In practice the policy tests are applied to all retail applications and not constrained to those identified as being contrary to the development, it is therefore suggested that the reference to 'contrary to the development plan' is removed from any future retail policy. It is also recommended that the sequential test applies to public as well as commercial leisure developments.

In the third bullet point of paragraph 64 of the SPP it states that proposals should meet a qualitative and quantitative deficiency as identified in the development plan. The inclusion of this text in the extant SPP was a shift in policy from SPP8 which allowed for developers to identify qualitative and quantitative deficiencies. In practice the assessment of deficiencies is usually considered in the development management process. However, the retail assessments undertaken to identify deficiencies are often subjective in nature and vary considerably in their methodologies. As a consequence it is often difficult to accurately understand the extent of the qualitative and quantitative deficiencies, which can lead to confusion on the part of decision makers.

A simpler approach to retail planning policy would be to focus on the two principal retail planning policy areas, namely the sequential test and the assessment of town centre impacts. These two retail planning policy considerations can be properly and objectively tested through the planning process, and their meaning is understood by practitioners and decision makers. Removing the assessment of qualitative and quantitative deficiencies from the development management process would still allow Planning Authorities to assess for these deficiencies as part of the development plan process or by the adoption of supplementary planning guidance. However, where a Planning Authority is silent on the matter or where a developer/retailer is seeking a new store in a town then a simplified approach would allow for an appropriate consideration of retail policy matters by means of the sequential test and assessment of town centre impacts.

Retailing is only one part of what makes for a strong and vibrant town centre. Any future policy should recognise this trend and support retail impact assessments of town centres as a whole, rather than focusing only on retail land uses.

Policy needs to acknowledge the structural changes taking place in the retail sector. There is a move away from large format stores as sales of comparison items migrate online. This process is predicted to continue and will have a significant effect on the nature of retail proposals coming through the planning process and on the character of town centres. Policy should recognise the changes in town centres

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and that they are principally caused by modifications in shopper behavior as a whole rather out of centre retailing. Policy should also recognise the new formats associated with the migration of retailing online, such as click and collect units.

Why?

Addressed in text above.

Whilst we need to understand the issues, we ask that comments focus on the possible solutions.

What changes and/or solutions could be made to the policy to focus it on sustainable economic growth and to emphasise place making?

Sustainable Economic Development

Policy on sustainable economic development is set out within SPP. However, this review provides an opportunity to increase the emphasis on economic considerations in the planning process. More positive policy could be provided to set out the role that Planning Authorities and Statutory Consultees have in supporting economic activity, particular during the current economic climate. The National Planning Policy Framework in England emphasises the presumption in favour of sustainable development, indeed the presumption is the focus or “golden thread” of the entire NPPF. More supportive text in the SPP could shift the emphasis in planning decision making to one which is more supportive of sustainable economic development.