NEW LOCAL PLAN EVIDENCE BASE: SOUTH ESSEX RETAIL STUDY (SERS) 2017

1 PURPOSE OF REPORT

1.1 The Council is undertaking a review of its adopted local development plan policies to ensure that they are based on up to date evidence, are robust and provide clarity for local communities. To inform this review, the Council is supporting the preparation of a common evidence base for the South Essex authorities to inform cross boundary co-operation and deliver economies of scale.

1.2 A Topic Paper, highlighting the initial key findings of a draft of the retail and leisure needs assessment for Rochford District, was presented to the Planning Policy Sub-Committee at its meeting in November 2017. The final study for South Essex has now been received. This report explains the evidence and key findings of the final South Essex Retail Study (SERS) 2017 as well as the implications for Rochford District's plan-making.

2 INTRODUCTION

2.1 The National Planning Policy Framework (NPPF), supported by the Planning Practice Guidance (PPG), requires that retail and leisure needs are assessed and opportunities to meet such needs should be sought through the preparation of a Local Plan.

2.2 NPPF paragraph 23 states that planning policies should be positive, promote competitive town centre environments, and set out policies for the management and growth of centres. There is a requirement for local authorities to recognise town centres as the heart of their communities and to define a network and hierarchy of centres that is resilient to anticipated future economic changes. An important requirement within the NPPF is that "needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability".

2.3 NPPF paragraph 161 specifically requires that retail evidence should assess:-

- the needs for land or floor space 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 role and function of town centres and the relationship between them, including any trends in the performance of the centres;

- the capacity of existing centres to accommodate new town centre development; and

- locations of deprivation that may benefit from planned remedial action.

2.4 As a Local Planning Authority, the Council is required to discharge its responsibilities under the Duty to Co-operate. The delivery of retail and leisure provision across South Essex is a strategic, cross boundary issue which requires co-operation across the sub region. As set out in the NPPF paragraph 178, such joint working enables local planning authorities to meet development requirements which cannot wholly be met within their own areas. Councils can demonstrate how the Duty has been met on such issues, as set out in the NPPF Paragraph 180, by a Memorandum of Understanding or jointly prepared evidence base. Further guidance on the policies contained within the NPPF can be found in the PPG.

3 SOUTH ESSEX RETAIL STUDY (SERS) 2017

Aims and Methodology

3.1 Consultants Peter Brett Associates were commissioned by the South Essex local authorities (in addition to Rochford District, this includes Basildon, Castle Point, Southend and Thurrock Borough Councils) to prepare updates to the five authorities' retail and leisure evidence base. The study provides a common evidence base to assist co-operation between the South Essex authorities on cross boundary retail and leisure planning matters.

3.2 The main objectives of this study were to:-

- Review the context in which the study was undertaken including; relevant planning policies, existing available retail evidence for each authority and key market and economic trends in the retail and leisure sectors;

- Undertake a strategic overview of the existing network of centres in the defined study area, including those centres within the five authorities and the main competing centres;

- Analyse retail and leisure spending patterns for the South Essex sub-region informed by a new household survey of shopping patterns and assess the catchment areas of the main centres;

- Assess the need for additional convenience and comparison retail floor space and key high order leisure uses up to 2037 and consider a range of scenarios for the spatial distribution of the assessed retail and leisure needs between the five authorities;

- Consider the need for new retail and leisure facilities generated by large strategic housing developments; and

- Recommend options for the spatial distribution of the assessed retail and leisure needs across the five authorities up to 2037.

3.3 The SERS 2017 takes into consideration the existing retail and leisure evidence base, which for the Council includes the Retail and Leisure Study

Update 2014. It also considers the requirements of the NPPF and PPG, emerging market and economic trends, the network of centres across South Essex and spending patterns. The SERS 2017 draws on two sets of quantitative retail and leisure capacity forecasts based on alternative population forecasts, as follows:-

- Baseline scenario: Experian MMG3
- Housing -led scenario: 2017 SHMA and Experian MMG3 (preferred)

3.4 In the baseline scenario population from figures from Experian MMG3 are applied to all zones in the study area. In the housing led scenario, population growth rates derived from the 2017 SHMA are applied to those zones in the study area which relate to the five South Essex authorities and the Experian figures are applied to all other zones. The 2017 SHMA population figures used relate to the upper end of the 2017 OAN Addendum. This means that the SERS 2017 provides consistent evidence for the South Essex authorities to set policies on future retail and leisure development.

South Essex: Main Findings

3.5 Retail provision in South Essex comprises the larger regional centres of Basildon, Lakeside and Southend, and a number of relatively small town centres, such as Billericay and Hadleigh, serving a localised catchment area. In addition, a number of authorities have a lower tier of parades which, although playing a role in meeting very localised needs, are not town centres as defined by the NPPF.

3.6 Lakeside shopping centre is the largest comparison shopping destination within the South Essex area and exerts a significant influence over trading patterns across the wider study area. There is significant out of centre retail and leisure provision which competes with the established network of centres for expenditure. This is particularly the case for locations like Basildon and Castle Point. There are also large retail developments outside South Essex, such as Westfield Stratford City and Bluewater Shopping Centre, as well as increased competition from Chelmsford through significant investment in retail and leisure experiences.

3.7 The South Essex authorities’ influence over retail and leisure patterns varies significantly; South Essex has a strong comparison retention rate; 10% of comparison expenditure is leaked outside of the South Essex authorities’ boundaries; Southend has the lowest rate of comparison expenditure leakage (21%) and Castle Point has the highest rate of comparison expenditure leakage (68%).

3.8 South Essex also has a strong convenience retention rate, 12% of convenience expenditure is leaked outside of the South Essex authorities’ boundaries; Basildon has the lowest rate of convenience expenditure leakage

(11%) and Rochford has the highest rate of convenience expenditure leakage (57%).

3.9 Retention of leisure spending in South Essex is somewhat weaker; 21% of food and drink expenditure; 17% of recreation expenditure; and 14% of cinema expenditure is leaked outside of the South Essex authorities' boundaries: In the food and drink sector Southend experiences the lowest expenditure leakage rate (13%) and Castle Point experiences the greatest expenditure leakage rate (60%). In the recreation sector Southend experiences the lowest expenditure leakage rate (17%) and Castle Point experiences the greatest expenditure leakage rate (64%). In the cinema sector Basildon experiences the lowest expenditure leakage rate (12%) and Rochford experiences the greatest expenditure leakage rate (100%).

3.10 When applying the baseline and housing led scenarios to forecast future retail and leisure capacity, the SERS 2017 found that across South Essex there is capacity to support additional comparison floor space up to 2026 under both scenarios; 28,455 sqm net (baseline) and 25,278 sqm net (housing led). In spite of a large commitment at Lakeside, under the constant market share approach, the majority of capacity emerges in Thurrock. Long term comparison capacity forecasts (post-2026) are significant but should be treated as indicative.

3.11 Across South Essex, however, there is no capacity to support additional convenience floor space up to until 2031. This is because of significant convenience commitments in Thurrock and because growth in convenience expenditure is limited. There is a degree of need identified within the other authorities, particularly in Southend and Basildon as those expected to experience greater population growth. Long term convenience capacity forecasts (post 2031) are much lower than the comparison figures, with little or no capacity emerging in Thurrock, but should also be treated as indicative.

3.12 A3-A5 uses account for approximately 70% of the total leisure spending growth in South Essex. Basildon, Southend and Thurrock experience the most significant levels of growth. Basildon, Southend and Thurrock all have committed leisure developments. It is possible that the A3-A5 uses and D2 leisure commitments in Thurrock will be sufficient to absorb the forecast expenditure. The majority of this development is proposed at Lakeside Shopping Centre.

3.13 Castle Point and Rochford have limited food and beverage facilities, and as such they experience much lower levels of growth in this sector than all other South Essex authorities.

3.14 Taking into account commitments in Basildon, there is still capacity for additional cinema screens in South Essex. While there are discrepancies in existing coverage, it is unlikely that any emerging capacity will be addressed in Castle Point or Rochford and instead growth should be focused on Thurrock and Southend.

3.15 The changes in market share are limited: despite the added competition from Bluewater, there is no real impact on the level of comparison retention in South Essex i.e. Bluewater and Lakeside broadly cancel each other out at the global level. There will be some impact on the network of centres in South Essex; however, because both Lakeside and Bluewater have very established comparison shopping functions, this impact is limited. To that end, all the South Essex centres are expected to increase their turnover from 2016 levels, albeit that increase will be tempered with the expansion of Bluewater and Lakeside.

Rochford District: Main Findings

3.16 The main retail centres in the District, Rayleigh, Hockley and Rochford, are defined as town centres in line with similar centres across South Essex. Town centres are defined in the SERS 2017as often the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. They may also have employment, leisure, service and civic functions. Their catchment will relate primarily to the local authority area.

3.17 Rochford District has a high comparison expenditure leakage compared to other districts in the South Essex sub region; this is linked to a limited comparison shopping offer. Areas with lower leakage rates have a well established in and out of centre retail offer, which helps to stem the outflow of expenditure.

3.18 The housing led scenario is the preferred approach as it aligns with the outputs from the 2017 SHMA. Strategic housing growth across South Essex should be accompanied by an appropriate provision of retail and leisure space; these requirements will therefore depend on the size and location of this growth.

3.19 The SERS 2017 compares the findings of the Rochford District Retail and Leisure Study 2014 with the outcomes from this more recent study. The Compliance Statement specifically compares the assumptions underpinning the 2014 study with those in the preferred housing led scenario. The SERS 2017 concludes that it provides the latest quantitative need for Rochford District. It takes account of the growth at the sub-regional level and should be treated as the starting point in plan-making terms. However, the qualitative assessment in the 2014 study remains the most recent on the ground assessment of the district's centres and stores.

3.20 Very low retail comparison and convenience needs were identified up to 2026; this is because Rochford District currently achieves a very low market share. On this basis the district would benefit from further provision in order to promote more sustainable shopping patterns. In summary, the SERS 2017 recommends the following:

- Comparison needs – an additional 11,457 sqm net is needed under the housing led scenario up to 2037. Taking account of sensitivity testing for the Lakeside and Bluewater impact; however, this is adjusted down to 5,179 sqm net (a 58% reduction).

- Convenience needs – an additional 1,077 sqm net is needed under the under housing led scenario up to 2037.

3.21 While there are no major leisure development commitments in Castle Point or Rochford which would provide additional leisure floor space to meet the need outlined in the table above, there are major commitments in the larger centres of Southend, Basildon and Lakeside.

3.22 Rochford District experiences the highest level of expenditure leakage by far in South Essex (57%) with a significant amount of expenditure directed to out of centre food stores in Southend and Castle Point.

3.23 The district also experiences a significant level of food and drink expenditure leakage indicating that there is scope to improve provision in order to meet local needs. Further food and drink facilities should be provided in Rochford District to prevent expenditure loss to neighbouring areas.

3.24 There are no theatre or cinema facilities in Rochford District, which means that there is 100% leakage to other areas. However, whilst this indicates a need for additional capacity in the district, this doesn’t take account of the market reality that some leisure uses, particularly cinemas, require more substantial catchment areas to support them and therefore it is only in the largest centres that such uses can supported.

4 RISK IMPLICATIONS

4.1 National planning policy requires that retail and leisure needs are met in full and not compromised by limited site availability. Local Plans must be based on adequate, up to date and relevant evidence about the economic, social and environmental characteristics and prospects of their area. The South Essex Retail Study (SERS) 2017 provides this evidence for Rochford District’s new Local Plan and wider joint plan-making across South Essex. The SERS 2017 is important as it will ensure that the Council can clearly demonstrate at the independent examination stage a justification for the policies covering retail and leisure.

5 ENVIRONMENTAL IMPLICATIONS

5.1 Policies in the new Local Plan covering retail and leisure uses could have environmental implications, particularly if new development is proposed. At this stage of preparing the new Local Plan, the Council is considering and presenting potential options for further consideration. Any environmental implications will need to be carefully considered at the next stage of refining the preferred options. Such consideration will be informed by the Sustainability Appraisal to ensure the most sustainable options are identified.

6 RESOURCE IMPLICATIONS

6.1 The Council is required to prepare a Plan in accordance with the requirements of national planning policy. The emerging SERS 2017 has been prepared as a joint evidence base document with other local authorities across South Essex, which allows for economies of scale. Any further outputs, such as updates to the study, Memorandums of Understanding or Statements of Common Ground, will need to be met from investments in the existing budget provision.

7 LEGAL IMPLICATIONS

7.1 The Localism Act 2011 requires Rochford District Council to co-operate and work with other prescribed bodies as part of the Duty to Co-operate on strategic cross-boundary issues. Such issues include, amongst other matters, adequate provision of retail and leisure facilities.

8 EQUALITY AND DIVERSITY IMPLICATIONS

8.1 An Equality Impact Assessment has not been completed as no decision is being made.

9 RECOMMENDATION

9.1 It is proposed that the Sub-Committee **RESOLVES**

That the South Essex Retail Study (SERS) 2017, attached at Appendix A, be noted as evidence and published on the Council's website.

Matthew Thomas

Assistant Director, Planning and Regeneration Services

Background Papers:-

None.

For further information please contact Natalie Hayward (Strategic Planning and Economic Regeneration Team Leader) on:-

Phone: 01702 318101
Email: natalie.hayward@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111.