

WDC/8

**Wycombe District Council's
Delivery and Site Allocations Plan
Examination Statement**



MATTER 8 – ECONOMY

November 2012

Matter 8 – Economy

1. Is policy DM4 in conflict with the National Planning Policy Framework or too restrictive in its approach to scattered business sites?

- 1.1 Policy DM4 aims to facilitate the redevelopment of Scattered Business Sites across the district, allowing developments that enable them to continue to play an economic role, either in terms of conventional B use type employment or other employment generating uses. The policy also facilitates the redevelopment of a site for residential uses if there are clear market signals that a site is no longer deemed to be suitable for economic uses.
- 1.2 The strategic context for scattered sites is set out in policy CS11 of the adopted Core Strategy¹ which identifies that the regeneration and intensification of scattered business sites has a role to play in meeting the futures needs of business across the district. CS11 also identifies that there is scope for scattered business sites to be redeveloped for non-business uses.
- 1.3 The National Planning Policy Framework² at paragraph 22 states that planning policies should avoid the long term protection of sites allocated for employment use, and that applications for alternative uses should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.
- 1.4 The Council has been challenged on the basis that requiring a site to be vacant is too restrictive and would not allow or encourage an existing business to relocate or expand onto another site (if it was the site owner); that the policy should not require marketing or demonstrating that a site is no longer suitable for employment use and that the policy does not allow for the impact of a site on neighbouring sites and the surrounding area to be taken into consideration.

¹CD 5.2.1

² CD5.0.1

- 1.5 It is the Council's view that scattered business sites have a continuing role to play in meeting business needs. However, it acknowledges that in some locations other uses will be more appropriate or attractive.
- 1.6 High property prices³ in the District which are a product of the District's attractiveness and proximity to London, combined with the strategic constraints of the Metropolitan Green Belt and Chilterns Area of Outstanding Natural Beauty, mean that there is a constant pressure for residential redevelopment of these sites. Although these sites might not have a strategic role, collectively they do as they make up approximately 40% of existing employment land in urban areas⁴.
- 1.7 The same constraints that contribute to high property prices also mean that there are limited opportunities to allocate new sites for the types of businesses who would be accommodated on scattered smaller sites – small and medium sized businesses. As such, there are strong economic reasons to continue to secure business on these sites, unless it is no longer practicable to do so. For this reason, policy DM4 needs to include a requirement to identify what the market view or signals are with respect to an existing scattered site.
- 1.8 The requirement for a site to be vacant is seen to be a key part of testing the market in terms of attractiveness and on-going suitability of a site for business uses. An occupied site is likely to generate little interest due to the presence of existing tenants. The criteria, however, are flexible to respond to current market rents and the amount of time a site is marketed for. It is important that a site is marketed for policy compliant uses and at suitable terms to ensure that it appropriately tests the market. The market interest in a site is not only be limited to the premises and attributes of the site itself, but also to the location and surrounding uses and this will allow for the consideration of wider impacts of the site.

³ See CIL Viability Assessment CD 3.8.3

⁴CD 3.1.2, para 10.15

1.9 As the DSA is not allocating sites across the district, the Council has not assessed the suitability of the existing scattered business sites and identified those that should be retained as business sites. It is the Council's view that DM4 allows for a range of uses to come forward –subject to them being supported by appropriate evidence – and is in accordance with the presumption in favour of sustainable development as set out in the NPPF.

2. Is a less restrictive approach to residential uses in district centres (as proposed in a further change by the Council) appropriate? (DM8)

2.1 The Council supports town centre living as a way of assisting the vitality of centres and supporting sustainable communities, provided that this is balanced with the need to maintain a sufficient stock of land for retail and other main town centre uses in such locations. In this respect, a pre-hearing change⁵ to the Delivery and Site Allocations (DSA) Plan states that, except where site-specific policies state otherwise, residential development is acceptable in District Centres where it does not involve the loss of active ground floor frontage.

2.2 This change was suggested by Comland⁶, and the Council subsequently agreed that such a change was appropriate. It was accepted that a more specific form of wording would convey the fact that the Council is supportive of residential development in designated centres, so long as it does not involve the loss of main town centre uses and active ground floor frontages. The policy wording change was agreed by Comland, who subsequently withdrew their objection to policy DM8⁷.

2.3 This change complies with the approach in the National Planning Policy Framework (NPPF), which encourages local planning authorities to “*recognise that residential development can play an important role in ensuring the vitality*

⁵ Further Change (FC) FC13, CD7.1

⁶ Representation DSA12/018

⁷ CD7.2 (FC13) and CD7.1 (Appendix 4)

*of centres and set out policies to encourage residential development on appropriate sites*⁸.

- 2.4 Encouraging residential development where appropriate within designated centres is also in accordance with the Adopted Core Strategy⁹ and supports its drive to focus development on previously developed sites¹⁰. It is also consistent with Policy H21 of the Adopted Local Plan, which states that residential development in defined centres is encouraged in vacant floors or office space subject to other relevant policies¹¹.
- 2.5 The Council recognises that residential development is not appropriate in all cases within designated centres. However, it considers that the two caveats built in to the policy provide sufficient safeguards.
- 2.6 Firstly, where the Council considers that other forms of development are more appropriate on individual sites, such uses can be specified in site-specific policies. Clearly, other topic-based Local Plan policies¹² will also form part of the decision-making framework for residential development proposals where relevant, including those covering the following issues:
- Loss of employment land (Policies E2, E3 and E4 – the latter will be replaced by Policy DM4 of the DSA Plan);
 - ensuring a satisfactory living environment (including policies G3 and H18; and
 - safeguarding residential amenity (Policy G8).
- These policies will be subject to review in the Council's new Local Plan, work on which is just getting underway.
- 2.7 The second safeguard in policy DM8 is the statement that residential development should not be permitted where this would involve the loss of an active frontage at ground floor level. It is this active frontage which acts as a

⁸ CD5.0.1, para 23, p8

⁹ CD5.2.1 – para 4.48 (p45) says residential development should be encouraged in town centres.

¹⁰ CD5.2.1 – Policy CS2 (Main Principles for the Location of Development), p26

¹¹ CD5.2.3 – Policy H21 (Residential Development in Town Centres)

¹² CD5.2.3

public interface for the centre, and which is therefore key in terms of the customer attractiveness of the centre overall. It is therefore crucial that such frontages, and the uses associated with them, are maintained.

- 2.8 Part 1c of the policy supports this safeguard by stipulating that any proposed change of use of frontages outside those specified in Part 1a and 1b of the policy would only be allowed where it can be demonstrated that they would not have an adverse impact on the vitality, viability and attractiveness of the centre.

3. Is the evidence base sufficiently robust to support the threshold levels proposed in policy DM9?

- 3.1 Policy DM9 contains thresholds setting the level of floorspace above which applicants for planning permission will be expected to submit retail impact assessments alongside their proposals.
- 3.2 The Council considers that this approach complies with the NPPF¹³. Paragraph 24 of the framework says: *“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 threshold (if there is no locally set threshold, the default threshold is 2,500m2).”*
- 3.3 The Practice Guidance on Planning for Town Centres (which is still extant) provides further guidance on setting such thresholds¹⁴. Among the likely important considerations which it highlights in setting such thresholds are the existing vitality and viability of the various designated centres and the likely effects on the town centre strategy and planned investment.

¹³ CD5.0.1 (Para 24, p8)

¹⁴ CD5.0.4, para 7.4

- 3.4 Whilst the setting of local thresholds is optional, the Council considered at the time they were introduced¹⁵ that the default threshold of 2,500m² would be inappropriate for the local circumstances of Wycombe District, and that retail developments below 2,500m² could have a significant impact on the District's designated centres. This view was supported by Nathaniel Lichfield and Partners, the specialist retail consultants who had produced the Council's recent retail and town centre use studies.
- 3.5 The reason for this view being taken was essentially that the projections of future retail expenditure in Wycombe showed that there was only a limited scope for additional floorspace across the District up to 2016. Since this time, the retail capacity projections have once again been updated¹⁶.
- 3.6 Combining the convenience and comparison shopping projections, these continue to show limited scope for additional retail floorspace across the District up to 2016 in High Wycombe and Princes Risborough (12,487m² and 1,119m² respectively) and minimal or negative capacity in Marlow and other shops in the District¹⁷.
- 3.7 Moreover, the outcome of these studies is a strategy¹⁸ for delivering this limited scope in the short and medium term, which essentially constitutes a mixture of filling empty floorspace, and delivering a number of new site allocations in town centre or edge-of-centre locations. Indeed, this strategy is one of the key objectives of the entire DSA Plan.
- 3.8 Accordingly, the DSA Plan is proposing a series of locally-based thresholds. Essentially, the approach is that different thresholds are applied, depending on which 'tier' of town centre is being affected, according to the town centre hierarchy in the Council's Adopted Core Strategy¹⁹. The Council considers

¹⁵ Via the publication of PPS4 in December 2009

¹⁶ See appendices 1 and 2 in CD3.3.6

¹⁷ As summarised in CD2.1, p12

¹⁸ CD3.3.6

¹⁹ CD5.2.1 – Policy CS10 (Town Centre Hierarchy), p44

that this methodology is appropriate as it reflects the nature and scale of each town centre.

- 3.9 In High Wycombe (a sub-regional town centre and, as such, the only town in Tier 1 of the hierarchy), it is considered that a 1,000m² net threshold is more appropriate than the default threshold of 2,500m². Compared with the projection in the town of approximately 12,500m² in the latest study²⁰, a scheme of 2,500m² would represent one-fifth of the projection, and it is considered that such schemes in out-of-centre locations could pose a threat to the delivery of the Council's strategy, and could cause significant adverse impact to the town centre. This is especially the case given the high vacancy rates in some parts of the town centre, as set out in the Town Centres background paper²¹. It is also underlined by the fact that it is not uncommon for schemes of over 1,000m² to come forward.
- 3.10 Schemes of up to 1,000m², by contrast, would represent less than one-tenth of the identified scope for extra floorspace. The Council's judgement is that such schemes would be unlikely to cause significant harm to High Wycombe town centre.
- 3.11 The Council considers that it is appropriate to apply this threshold District wide, given the importance and extent of High Wycombe's catchment area.
- 3.12 In the two towns falling within Tier 2 of the hierarchy (Other Town Centres) - Marlow and Princes Risborough – whilst both towns have relatively low levels of shop vacancy, there is an even more limited scope for extra retail floorspace than in High Wycombe. A limited number of small sites are allocated in the DSA Plan to meet this modest requirement. Once these allocations have been taken into account, there is unlikely to be significant surplus expenditure capacity to support further edge-of-centre and out-of-centre proposals. Therefore, any individual proposals in such locations which

²⁰ CD3.3.6

²¹ As set out in CD2.1, Appendix A (summarised on p19)

are of a significant scale could have a significant adverse impact on the existing centres.

- 3.13 The 'Tier 2' towns have compact, historically-sensitive cores where the shop units have a significantly smaller floorspace than those typically found in High Wycombe²². This indicates that such towns are not suited for large-scale schemes in any case. Development opportunities are limited at both towns, but there may still be pockets of land where schemes of such a scale could come forward. Taking all these factors into account, the Council considers that a 500m² threshold is appropriate for these towns, and that it strikes the right balance between protecting the town centres and not stifling opportunities for economic development.
- 3.14 For these two towns, their respective local community areas²³ are used to define where such schemes should provide a retail impact assessment. The Council considers that these areas are a good representation of the rural hinterland of both towns, and therefore a good proxy for their retail catchment areas.
- 3.15 Turning to the District Centres of Bourne End, Flackwell Heath and Hazlemere (falling within Tier 3 of the hierarchy), these all contain predominantly small units. Again, the limited scope identified for extra floorspace in these locations indicates that any proposals which are medium-sized or large in scale could pose a potential threat to the vitality and viability of these centres.
- 3.16 It is considered, therefore, that an appropriate threshold for these centres would be 250m², and that this should be applied to schemes falling within the

²² For a summary of the total floorspace across the towns, see CD3.3.6 (Appendix 1, Table 10) for convenience stores and CD3.3.3 (Appendix A, Table 4A) for comparison stores.

²³ These are the areas used by Buckinghamshire County Council for the purposes of locality working, and form the geographical basis for local area forums (LAFs). The local areas of relevance to Policy DM9 are South West Chilterns and Marlow (for proposals which require an impact assessment relating to Marlow town centre) and North West Chilterns (for proposals which require an impact assessment relating to Princes Risborough town centre).

respective parish boundaries or within a 3km radius, as the crow flies, of the centre.

- 3.17 It should be noted that the approach within Policy DM9 is based on up-to-date evidence, with the most recent retail study²⁴ for the Council having been carried out earlier this year. Whilst this represents an update and continuation of the work carried out for the previous studies in 2004, 2007 and 2009, it is based on a recent household survey carried out in large parts of the District. It also takes into account current economic trends such as the ongoing uncertain outlook for household income and the increasing trend towards special forms of trading, including mobile technology and online shopping²⁵.
- 3.18 The general consensus within the retail trade is that the long-term outlook for the industry remains deeply uncertain. For this reason expenditure forecasts present a less bullish picture than they may have done prior to the global economic downturn. However, the Council does not consider that the report represents an “*extremely cautious*” view of floorspace projections, as suggested in the representation from CBRE Global Investors²⁶. On the contrary, the Council considers that the report²⁷, together with its underlying assumptions, represent a highly realistic outlook, particularly in the short term, of the future projections for retail projections and therefore represent a sound, robust basis on which to set thresholds for retail impact assessments.
- 3.19 In summary, therefore, the Council considers that the methodology underlying Policy DM9 is in compliance with the NPPF and the Practice Guidance, and that the approach is proportionate and based on a robust evidence base.

²⁴ High Wycombe Retail Strategy, Nathaniel Lichfield and Partners, March 2012 - CD3.3.6

²⁵ CD3.3.6 (see paras 2.5 and 2.10)

²⁶ Representation DSA12/040

²⁷ CD3.3.6

4. How do you intend to ensure your policy to allow for a wider range of A uses into town centres is effective? (CD2.1 – para 3.16)

- 4.1 The Council has introduced a range of policies in the DSA Plan to allow for a greater variety of use classes across large parts of the designated centres. This is to reflect the widening role for town centres, the uncertain economic outlook for high streets and the concern over shop vacancies in certain parts of the District's town centres.
- 4.2 In the context of these policies, the Council considers that 'effectiveness' will constitute ensuring:
- (a) that they can be delivered effectively through the development management process;
 - (b) that they contribute to ensuring low – or falling - vacancy rates in the individual frontages, and
 - (c) that they help maintain the overall vitality, viability and customer attractiveness of town centres.
- 4.3 In terms of the development management process, the policy is based on measuring frontage lengths. Applicants are required to provide survey data to demonstrate that any individual proposals comply with the percentage criteria set out for each frontage. The overall frontage lengths are already set out in the DSA Plan²⁸ and Town Centres background paper²⁹, so this measurement will be a straightforward task for applicants to conduct and for development management officers to verify and assess.
- 4.4 Assessing the effectiveness of the outcomes of the policy will be carried out through regular monitoring, with reporting in the Monitoring Report, in line with the policy requirements³⁰. Following the adoption of the new frontage policies, regular surveys will take place of the individual frontages, to monitor changes of use and vacancy rates. The Council, alongside partner organisations, will

²⁸ CD0.1 (see p45 for Marlow frontage lengths and p49 for Princes Risborough frontage lengths)

²⁹ CD2.1 (see p19 for a summary of the frontage lengths in High Wycombe and the District Centres)

³⁰ See Monitoring and Delivery Table in Appendix E of the DSA

also keep an overview of the environmental quality of the various centres and individual frontages.

- 4.5 An example of how the Council intends to monitor this policy is provided via the approach to the High Wycombe Town Centre Local Development Order (LDO). In 2010, the Council adopted this LDO for a small but important and historic quarter of the town, with the aim of assisting the reoccupation of vacant units by granting planning permission for a wide range of uses across the whole block³¹. Since then, the Council has surveyed the area quarterly to assess vacancy rates and the mix of uses therein. It has also maintained regular dialogue with local stakeholders, including the Town Centre Partnership (now the Town Centre Business Improvement District (BID) Company), to obtain ongoing feedback on the policy, including its effect on the environmental quality and overall attractiveness of the area. The results of the LDO surveys are reported annually in the Council's Monitoring Report³².

³¹ See CD3.3.4 and CD3.3.5

³² See Annual Monitoring Report 2011 (CD5.2.8, p49-50)