South Oxfordshire and Vale of White Horse
Joint Local Plan 2041

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TOPIC PAPER

TOWN CENTRES AND RETAIL

Joint Local Plan

Preferred Options Consultation

(Regulation 18 Part 2)

South Oxfordshire District Council
Listening Learning Leading

Vale of White Horse District Council

January 2024

This topic paper supports the Joint Local Plan 2041.

We have prepared topic papers to present a coordinated view of the evidence that has been considered in drafting the Joint Local Plan 2041. We hope this will make it easier to understand how we have reached our current position.

The topic papers may be revised following the ‘Preferred Options’ consultation to inform the next stage of plan preparation, which is known as the ‘Publication’ stage. Final versions of the topic papers will be published alongside this final stage, which is timetabled for publication in Autumn 2024.

Contents

Section 1: Introduction

1.1 This topic paper has been prepared to help explain the rationale behind the formulation of our town centre and retail policies in Chapter 9 of the Preferred Options document.

Section 2: Background

2.1 The adopted local plans for South and Vale include a series of policies, which set out how we currently plan for town centre and retail development across the districts. Each plan defines a network and hierarchy of centres to provide clarity on where we see the focus for retail and service provision over the plan period and they also include policies providing site specific guidance on retail matters, where appropriate. Both councils commissioned evidence on retail and leisure needs[1] to support previous plan preparation and to provide justification for policy wording, in advance of the respective local plan examinations.

2.2 Much of the national policy relating to town centres and retail, as set out in the National Planning Policy Framework (NPPF) and Government's Planning Practice Guidance (PPG), has remained the same since our current local plans were adopted. There is still considerable emphasis on ensuring the vitality and viability of town centres and allocating a range of suitable sites to meet the scale and type of development likely to be needed, looking at least ten years ahead.

2.3 The current NPPF (Dec 2023) also reinforces the 'town centre first' approach to site selection for main town centre uses (such as shops, offices, cinemas, restaurants, bars/pubs/nightclubs, health and fitness centres, arts, culture and tourism development) and still requires us to define the extent of primary shopping areas[2] and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each of our centres. It also states that we should plan positively for community facilities (such as local shops and other local services) to enhance the sustainability of communities and residential environments and guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs.

2.4 Nevertheless, much has changed for our town and local centres over the past few years. Factors such as the Covid 19 Pandemic, Cost of Living Crisis and UK's departure from the European Union have collectively had a significant impact on trading conditions, particularly for retail, leisure and the food and drink sectors. Many shops, restaurant chains and other leisure providers are finding it challenging to stay in business, with big names like Debenhams, Wilko and M&Co disappearing from high streets across the UK. Reduced footfall and

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[1] South - Retail and Leisure Needs Assessment (2016), with an update published in 2017.
Vale - Retail and Town Centres Study (2013), with an update published in 2017.

[2] Primary Shopping Area – defined as the central part of a town centre where retail development is concentrated.

an increasing number of vacant units is also posing a threat to the future vitality and viability of many UK town centres.

2.5 National planning policy (para 90 of the NPPF) aims to address these challenges by placing greater emphasis on promoting the long-term vitality and viability of town centres by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters. The NPPF recognises the role that residential development can play in ensuring the vitality of centres and it encourages residential development on appropriate sites, particularly on upper floors.

2.6 Government has also sought to revitalise the UK's town centres through two key legislative changes:

i. Amendment to the Use Classes Order in 2020 – which amalgamated various use classes (including retail, office/research & development, gym/indoor recreation, café/restaurant and financial/ professional service uses) into a new Class E (commercial, business and service).
ii. Permitted Development Rights (under a new Class MA) to allow changes of use from Class E to residential without the need for planning permission, subject to certain criteria being met.

2.7 From a planning perspective, the new Use Class E offers greater flexibility in terms of permissible uses within our town and local centres, which should help to reduce vacancy rates and support their ongoing vitality and viability. However, these legislative changes mean that, as local planning authorities, we can no longer use planning policy (as for example in Policy DP13 - Changes of Use of Retail Units to Other Uses - of the Vale Local Plan 2031 Part 2) as a tool to protect against the loss of retail floorspace in our main shopping areas. . Also, we no longer have any control over out-of-town commercial and business premises being converted to retail, which could potentially impact the vitality and viability of our centres.

2.8 Government recognises that local authorities should be able to protect against the use of permitted development (PD) rights where they have legitimate concerns about the impact on town centres, high streets and commercial centres. To this end, we do have the option of applying what are known as 'Article 4 Directions' to remove PD rights in any of our town centres where the loss of the essential retail core of a primary shopping area would seriously undermine its vitality and viability. However, we would need very specific and robust evidence to demonstrate that this was the case and the NPPF makes it clear that any boundaries must be very tightly drawn around a minimal area.

2.9 Recent research by planning consultancy Quod[3] on behalf of the Planning Advisory Service (PAS) concluded that it was too early to tell what impact the new Class E and Class MA PD rights are having on the vitality and viability of town centres and high streets.

2.10 Our own Town Centres and Retail Study advises on the use of Article 4 Directions (see para 14 below) and we are also monitoring the local situation to understand how many premises have been converted from retail to other uses (including residential) within our centres and whether this has had any negative consequences on their core retail function.

2.11 Notwithstanding the above, there are clearly some anomalies between the policy requirements set out in paras 90 to 95 of the NPPF and the provisions of the Use Classes Order (under Class E) and permitted development rights (under Class MA). For example, the NPPF states that local planning authorities should still define the extent of town centres and primary shopping areas in their local plans, despite us now having little control over the loss of retail floorspace in our town centres. We understand that DHLUC are aware of these anomalies and are considering how best to address them.

[3] www.local.gov.uk/pas/find-event/pas-past-events/assessing-impacts-use-class-e-town-centres-and-high-streets-23

Section 3: Evidence

3.1 We commissioned Nexus Planning to undertake a Town Centre and Retail Study covering both districts, as evidence to support our plan preparation. A key element of this work was a quantitative and qualitative assessment of retail (convenience and comparison[4]) needs over the plan period. The consultants also undertook health checks for each of the nine town/ local service centres, looking at a series of indicators to determine how each centre was faring (for example with regard to the number of vacant units, ratio of independent to national multiple retailers, number and distribution of retail, leisure, food & drink providers etc).

3.2 The Study report has been published alongside our JLP Preferred Options document. Key findings are as follows:

- There is no identified need for us to allocate additional sites to accommodate new retail development in South Oxfordshire or Vale of White Horse over the plan period.

- The Study proposes amendments to some of our existing town centre boundaries and recommends that new boundaries are drawn for Grove, Botley and Watlington local service centres.

- It also proposes new or revised primary shopping area boundaries for Didcot, Abingdon, Henley, Thame, Wallingford and Wantage.

- There is currently no justification for the councils to apply Article 4 Directions to remove permitted development rights (from Commercial/ Business/ Service Uses to Residential) in any of our centres. However, the report recommends that we keep the local situation under review.

- There is a need for us to direct additional main town centre uses to those centres (primarily Abingdon, Botley, Didcot, Faringdon and Wantage) where the proportion of vacant floorspace is either in excess of, or approaching, the national average.

- Our emerging plan policies need to be sufficiently flexible to allow for an appropriate range of town centre uses beyond retail, and they should reflect the need to re-purpose historic (sometimes outdated) retail stock, in order to accommodate new residential, leisure and community uses.

- There is justification for applying development size thresholds lower than the national default of 2,500 sqm, to allow us to retain appropriate control

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[4] Convenience goods floorspace = food stores. Comparison goods floorspace = stores selling clothing, footwear, DIY goods, gardening or sports equipment, books, toys etc.

over the potential impact of new development on the future health of our defined centres. The Study recommends that an impact assessment is required to accompany proposals for retail and leisure uses (including those relating to mezzanine floorspace and the variation of restrictive conditions) which are not located within a defined centre where:

- ❖ the proposal provides a gross floorspace in excess of 500 sq.m gross; or
- ❖ the proposal is located within 800 metres of a local service centre and is in excess of 300 sq.m gross; or
- ❖ the proposal is located within 800 metres of a village/local centre and is in excess of 200 sq.m gross.

- The Study endorses the approach set out in the NPPF for local planning authorities to consider how to meet town centre needs only for the next ten years (rather than across the entire plan period), in order to better reflect current economic conditions and changes in the retail sector over recent years.

3.3 We did not ask our consultants to undertake any research in relation to the health of our lower tier centres (i.e. village/local centres as defined in our adopted local plans). Instead, we used the findings from our own Settlement Assessment (primarily the quantum and distribution of retail/service uses) to guide our categorisation of individual centres within a revised Centre Hierarchy.

Section 4: Policy Options

4.1 Our initial aim was to consolidate and harmonise the existing policies relating to retail and town centre development in the adopted South and Vale local plans and to ensure their ongoing consistency with national planning policy (in the NPPF and Government's Planning Practice Guidance (PPG) on retail and town centres). However, it became clear that we needed to develop our strategy for town and local service centres within a rapidly changing economic and legislative context.

4.2 In response to our Joint Local Plan Issues Consultation in 2022, we received lots of useful suggestions for how we could adapt and improve the town centres in South and Vale to meet the changing needs of our residents and visitors. Comments were wide-ranging and often related to specific centres, however we did notice some recurring themes which we have taken on board in our policy drafting.

4.3 For example, there was support for the conversion of vacant properties/sites for other appropriate town centre uses, including making better use of upper floors in town centres for residential uses and there were requests for a wider variety of retail and service uses and more independent retailers. Some people suggested that restricting out-of-town stores and developing in sustainable/accessible town centre locations could support the vitality and viability of our town centres and local businesses. There was also general agreement that the Joint Local Plan needed to consider future retail and other service provision in our rural areas, emphasising that villages played a vital role in providing for the essential needs of residents and that Joint Local Plan policies could address rural needs by offering protection to essential community facilities, shops and employment uses.

4.4 After considering all the comments and evidence outlined above, we have developed four preferred policy options in Chapter 9:

- Policy TCR1 – Centre Hierarchy
- Policy TCR2 – Strategy for town and local service centres
- Policy TCR3 – Retail floorspace provision (convenience and comparison goods)
- Policy TCR4 – Retail and service provision in villages and local centres

4.5 Whilst we recognise the policy limitations within the current national policy and legislative context (as highlighted in paragraph 8 above), we have included wording in Policies TCR2 and TCR4 to say that, **where planning permission is required,** we will seek to prevent the loss of retail floorspace at ground floor level both within Primary Shopping Areas and in designated Local Centres, applying criteria against which proposals for change of use from retail or service uses will be assessed. By including these caveats, we will be able to consider whether we wish to apply Article 4 Directions in any of our centres, if evidence suggests they are needed to protect their future vitality and viability.

Section 5: Conclusion

5.1 Policies TCR1 to 4 of the Joint Local Plan Preferred Options document reflect current national planning policy and legislation as it relates to town centre and retail development. We have refined early policy drafts to take account of evidence in our Town Centres and Retail Study, as well as public comments received during our JLP Issues consultation in 2022.

5.2 Whilst the councils currently have limited means to protect against loss of retail or service use floorspace in the JLP, we have attempted to future proof our policies against any further changes to the way in which the Use Classes Order or Permitted Development Rights apply to the change of use (of buildings or land) within our town centres, or against changing local circumstances with the potential to have a negative impact on the role or function of any of the centres in our defined Centre Hierarchy.

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