



## **Borough Council of King's Lynn and West Norfolk**

### **NOTE-Retail Impact Threshold for Hardwick Road Area**

**April 2023**

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## Introduction

1. The Inspectors published a list of actions [G12] on issues that were discussed during the first week of the Examination Hearing, held on 6- 8 December 2022. This document has been prepared in response to Action 36 of that list and considers the threshold for retail impact assessments for new retail floorspace at Hardwick Road of King's Lynn.

## National Planning Policy Guidance (NPPG)

2. The NPPG sets out that the impact test only applies to proposals exceeding 2,500sqm gross of floorspace unless a different locally appropriate threshold is set by the local planning authority, as is the case for Policy LP08(3), which proposes a zero threshold for the Hardwick Road retail area. It identifies that in setting a locally appropriate threshold it will be important to consider the:
  - Scale of proposals relative to town centre;
  - The existing viability and vitality of the town centre;
  - Cumulative effects of recent developments;
  - Likely effects of development on any town centre strategy;
  - Whether the town centre is vulnerable; and
  - Impact on any other planned investment
3. The Council commissioned Alder King Planning Consultants to undertake a review (the Review) of the 'nil' threshold (proposed in the submitted Plan) in accordance with the NPPG (Appendix 1) and justification for the recommendation of raising the proposed 'nil' threshold to 500sqm. (Appendix 2).

## Conclusions and Recommendations

4. The Review concluded that the proposed 'nil' impact threshold set out in Policy LP08 is too low following the consideration and assessment of the:
  - Scale of retail floorspace at Hardwick Road
  - Vitality and Viability of King's Lynn Town Centre
  - Cumulative effects of recent development/Internet shopping
  - Impact on planned investment and potential effects on the town centre strategy, and
  - The vulnerability of the town centre to potential retail planning applications at Hardwick Road
5. The Review recommended that the threshold for a retail impact assessment should be raised to 500sqm for proposals in the Hardwick Road Area (having considered the above assessment) and concluded that proposals for less than 500sqm would unlikely lead to a 'significant adverse' impact and merit the refusal of an application for town centre uses in accordance with paragraph 90 of the NPPF.
6. Further justification for the 500qsm threshold is provided in the Further Retail Note (Appendix 2) which looks in more detail at the type and size of retail units that would provide space for key operators that act to 'anchor' a centre – those that are capable of attracting shoppers to the Town Centre and increasing the potential for linked visits to other retailers/businesses in the Town Centre.

7. The Further Retail Note considered that ‘anchor units’ in the Town Centre would provide at least 500sqm of floor space. The main ‘anchor units’ in the Town Centre include:

- Marks & Spencer
- Sainsburys
- H&M
- Boots
- Primark
- WHSmith
- Lidl
- River Island

8. The table below provides a summary breakdown of the number of units in the Town Centre above and below 500sqm:

	No. of Units >500sq m gross	% of Units >500sq m gross	No. of Units <500sq m gross	% of Units <500sq m gross
Convenience	2	9%	20	91%
Comparison	14	11%	111	89%
Retail Services	1	2%	61	98%
Leisure Services	8	11%	66	89%
Financial & Business Services	4	8%	48	92%
Vacant	5	9%	48	91%
<b>Total</b>	<b>34</b>	<b>9%</b>	<b>354</b>	<b>91%</b>

9. The justification for the 500sqm retail impact threshold is based on the following:

- The potential for a 500sqm sized unit to accommodate an ‘anchor unit’
- The size and limited number of anchor units in the Town Centre
- The potential for significant adverse impacts to arise as a result of a potential anchor unit closing, relocating or diverting their store requirement to Hardwick Road
- the need to safeguard against the Hardwick Road out-of-centre retail destination becoming even stronger at the expense of the vitality and viability of the Town Centre, and

10. In addition, the Review recommends that the 500sqm threshold for a retail impact assessment should also apply to changes of use and variations of planning condition to remove or amend restrictions on how units operate in practice.

### Proposed Main Modifications

11. To reflect the recommendations of Retail Impact Threshold for Hardwick Road area of King’s Lynn, the following main modifications are proposed to Policy LP08 and its supporting text:

#### Proposed main modifications to supporting text:

Additional paragraph to follow paragraph 5.2.6:

An impact assessment will be required for retail and leisure development if the proposal is over the local floorspace threshold of 2500sqm for areas outside identified Retail Centres. In the case of the Hardwick area of Kings Lynn, a threshold of 500sqm or more will apply.

Additional paragraph to follow 5.2.8:

These thresholds reflect local evidence, the size and function of the existing centres and will help protect them from medium and large out of centre food stores and other shops which could have significant impacts. The threshold should not only apply to new floorspace, but also to changes of use and variations of planning condition to remove or amend restrictions on how units operate in practice. In considering proposals for variations of condition, the threshold should apply to the whole of the unit in question, rather than just the quantity of floorspace subject to the condition. This sequential approach should not be applied to applications for small scale rural offices or other small scale rural development.

Proposed main modifications to Policy LP08:

Criterion 3

3. The Council will strongly resist proposals for out of centre retail uses that either individually or cumulatively would undermine the attractiveness and viability of the town centres. Retail impact assessments will be required for individual schemes having a gross floorspace greater than 2,500 square metres, although in the case of the Hardwick area in King's Lynn (where there is already a significant accumulation of out of town centre retailing) greater weight will be attached to the cumulative impact of new development on the town centre. New retail uses in this area will ~~not~~ be subject to a floorspace threshold of 500sqm or more for individual schemes and will ~~only~~ be approved supported where they meet the sequential test set out in the NPPF and will not individually or cumulatively undermine the viability of the town centre.

## Appendices

Appendix 1 Retail Impact Threshold for Hardwick Road area of King's Lynn

Appendix 2 Further Retail Note

## Appendix 1

### Retail Note in Response to Inspectors Question - Retail Impact Threshold for Hardwick Road area of King's Lynn

#### Introduction

1. This note has been prepared by Alder King Planning (AK Planning) on behalf of the Borough Council of King's Lynn and West Norfolk (the Council).
2. AK Planning is a leading public sector town centre and policy advisor that specialises in the preparation of local plan evidence base documents, in particular retail and town centre studies. As part of these studies we have advised Council's on numerous policy matters including retail impact policy thresholds.
3. We understand that the Inspectors currently examining the Council's Local Plan have queried the retail impact policy threshold relating to the Hardwick Road retail area of Kings Lynn set out in emerging Policy LP08. For ease of reference an extract of the policy setting out details of the thresholds is provided below:

3. The Council will strongly resist proposals for out of centre retail uses that either individually or cumulatively would undermine the attractiveness and viability of the town centres. Retail impact assessments will be required for individual schemes having a gross floorspace greater than 2,500 square metres, although in the case of the Hardwick area in King's Lynn (where there is already a significant accumulation of out of town centre retailing) greater weight will be attached to the cumulative impact of new development on the town centre. New retail uses in this area will not be subject to a floorspace threshold and will only be approved where they meet the sequential test set out in the NPPF and will not individually or cumulatively undermine the viability of the town centre.
4. Specifically, we understand that the Inspectors have asked the Council to:

*"Review the nil threshold for impacts tests on new retail floorspace at Hardwick Road area of King's Lynn and prepare note for Inspectors to consider."*
5. This note reviews the proposed nil threshold for the impact test and advises whether, in our opinion, it is appropriate.

## **National Planning Policy Guidance: Town Centres and Retail (NPPG)**

6. The NPPG sets out that the impact test only applies to proposals exceeding 2,500sq m gross of floorspace unless a different locally appropriate threshold is set by the local planning authority, as is the case for Policy LP08(3), which proposes a zero threshold for the Hardwick Road retail area, but the national 2,500sq m threshold elsewhere. It identifies that in setting a locally appropriate threshold it will be important to consider the:
  - Scale of proposals relative to town centre;
  - The existing viability and vitality of the town centre;
  - Cumulative effects of recent developments;
  - Likely effects of development on any town centre strategy;
  - Whether the town centre is vulnerable; and
  - Impact on any other planned investment.
7. We consider these matters, where evidence is available, below and review/advise, whether in our professional opinion, the proposed nil threshold for the impact test is appropriate.

### **Scale of Retail Floorspace at Hardwick Road**

8. Hardwick Road provides a large out-of-centre retail destination in the south eastern part of Kings Lynn. It comprises over 57,000sq m gross retail floorspace and includes some 35 retailers. The main operators include:
  - Campbells Meadow Retail Park - Halfords, The Gym, Dreams, Pets at Home, Easy Bathrooms & Tiles, Wren Kitchens, Pets at Home, McDonald's (circa 5,100sq m gross floorspace);
  - Hardwick Retail Park - The Range, Jollyes, Curry's, Subway, Costa, Boots, Argos, Pizza Hut, The Food Warehouse, Hobbycraft (circa 10,700sq m gross floorspace)
  - Pierpoint Retail Park (Next, Tapi DFS, B&M, Poundland, KFC, Dominos (circa 6,100sq m gross floorspace);
  - Tesco Extra and Dobbies Garden Centre (circa 17,700sq m gross);
  - Sainsbury's store (circa 11,600sq m gross); and
  - a large B&Q DIY store (circa 5,900sq m gross))

9. In comparison to Kings Lynn Town Centre, the latest Experian Goad Plan survey of the centre (August 2022) identifies that the town centre provides a total of circa 49,200sq m gross retail/service floorspace (excluding financial and business services but including other leisure uses such as hotels/cinema's/nightclubs).
10. Accordingly, the level of retail floorspace at Hardwick Road is greater than the retail and service (retail and leisure service) floorspace provided within Kings Lynn Town Centre. In addition to the quantum of retail floorspace provided, the Hardwick Road retail area also has very good accessibility by vehicle off the A47 and A149 together with free parking. By comparison, parking provision in/ around the town centre is limited and not free, with many car parks being short-stay only. Furthermore, passing traffic (especially from the east and south; A10, A47, A149/ A148) would need to pass Hardwick Road in order to access the town centre.

#### **Observations on the Vitality and Viability of Kings Lynn Town Centre**

11. Our observations on the vitality and viability of Kings Lynn Town Centre are informed by town centre land use data provided by retail data provider Experian. The latest data for the town centre is from August 2022. In order to understand how the town centre has changed in recent years we have compared this data with historic data provided by Experian from 2015. As part of this commission we have not been asked to undertake a full vitality and viability health check assessment of Kings Lynn Town Centre.
12. Based on its current offering we consider that the town centre is characterised by mid-market and value oriented retailers. This is in part reflected by the presence of retailers such as Poundstretcher, Poundland, B&M, Wilko and Primark a good number of charity shops (12) which is above the UK average.
13. The number of national multiple retailers in the town centre has decreased from 143 to 108 since 2015. Notable national retailers that have closed stores include Next (which relocated to Hardwick Road), Debenhams (who went into administration) and Topshop/Topman and Burton (who also went into administration). In the period since 2015, the notable national retailer that has opened a store in the town centre is H&M.

14. The overall number of retail and service units in the town centre has decreased from 348 units to 335 with total retail and service floorspace also decreasing from 86,465sq m gross to 79,868sq m gross. This is in part reflective of the national trend albeit a near 10% reduction in floorspace is considered to be reasonably large reduction. Notwithstanding this, the diversity of uses in the town centre is considered to be reasonable given its size and role.
15. The comparison goods retailer sector has seen the largest decrease within the centre with a reduction in 33 units (from 158 to 125 units) and a reduction in 7,720sq m gross (from 42,698 to 34,978sq m gross) since 2015.
16. Vacancies have increased from 46 to 53 units with floorspace increasing from 10,015sq m to 14,697sq m gross. A notable vacancy is the former Debenhams store, High Street which has been vacant for nearly 3 years. The current proportion of units vacant in the town centre is comparable to the UK average of 14% with the proportion of vacant floorspace being higher than the UK average (16% compared to 14%).
17. In terms of the town centres' environmental quality, overall we consider it to be reasonably good with little evidence of graffiti. Whilst vacant units do not contribute to its environmental quality the majority of shop fronts are generally well maintained. The town centre area is mostly pedestrianized, which boosts the overall character and quality of the area.
18. Overall, based on our observations and a review of Experian retail data, we consider that the vitality and viability of King's Lynn Town Centre is mixed. Whilst the town centre generally provides a pleasant shopping environment and provides a reasonable diversity of uses, its retail offering is contracting with a number of important national multiple retailers closing and vacancies increasing.

### **Cumulative Effects of Recent Developments**

19. We are not aware of any recent (last 5 years) relevant retail developments or unimplemented planning permissions in the Hardwick Road retail area that would need to be considered in appraising potential cumulative effects on King's Lynn Town Centre.

20. It is considered relevant to highlight the potential effect of the continued Rise in Internet Shopping in the future as this is likely to have an effect on King's Lynn Town Centre. Experian in their latest Retail Planner Briefing Note identify that there has been a marked increase in online shopping since the Covid-19 crisis, which has further accelerated the already strong growth trend seen over the past decade. Internet sales' share in total retail surpassed 19% in 2019 before increasing to around 28% in 2020 against less than 5% in 2008. The value of internet sales in 2021 is estimated at £121.7bn at current prices. Experian expect internet market share to continue to grow strongly in the mid-term, hitting around 30% in 2025. The pace of e-commerce growth is anticipated to moderate over the longer term, reaching 36.5% of total retail sales by 2040.

### **Impact on Planned Investment and Potential Effects on Town Centre Strategy**

21. The Borough Council's Corporate Business Plan 2021-2023 has set a priority objective, to: "Develop our town centres and the rural offering; recognised as great places to live, visit and invest into". This would be achieved through mechanisms such as the Town Investment Plan. The Corporate Business Plan highlights the importance the Borough Council places upon bolstering the town centres, particularly King's Lynn.
22. Significant investment is planned in Kings Lynn Town Centre as part of the Council's Town Deal Programme. King's Lynn was one of 101 towns in England to benefit from the Ministry of Housing, Communities and Local Government funding. The funding received totals £25m.
23. The King's Lynn Town Deal Board was set up to develop the King's Lynn Town Investment Plan. The Investment Plan sets out the vision for King's Lynn and identifies the potential schemes and projects that seek to improve the town/town centre ([www.visionkingslynn.co.uk/](http://www.visionkingslynn.co.uk/)). Investment projects include:
  - the refurbishment of the Guildhall;
  - development of multi-user community hub;
  - riverfront regeneration;
  - active and clean air transport connectivity improvements; and
  - town centre public realm improvements.

24. The Investment Plan and its projects are aimed at strengthening the town centre and local economy and helping secure the town's future as a place of choice to live, work and visit.
25. Whilst, there is acknowledgement in the Investment Plan, that there is a need to bring other uses into the town centre to help the re-occupation/re-purpose vacant units, retail is very likely to remain the primary use and reasons why people visit the town centre. We consider that the retention (and where possible the enhancement) of the town centre's retail use is important in not only the successful delivery of the investment but also the success and value of the investment after it is delivered.
26. The Council's latest strategy for the town centre is set out in the King's Lynn Town Centre Action Plan (2014). Whilst the document is nearly a decade old, far pre-dating the economic impacts of the Covid-19 pandemic and Brexit. Town centre strategies have evolved to accommodate changing consumer behaviour and needs we understand from discussions with planning officers that the 6 key themes set out in the Town Centre Action Plan are still recognised by the Council as important in the overall future strategy of the town centre. These themes are:
1. High quality public realm & spaces
  2. Maximise Historic assets
  3. Diversify the town centre offer
  4. A town that is easily accessible
  5. A place for people to live, work and socialise
  6. Events and promotion
27. Again, we consider, in delivering initiatives under each of the town centre strategy themes, it will be important to retain (and where possible enhance) the town centre's retail use/offer. This should be achieved through effective application of any available policy tools, including development plan policies.

## **Vulnerability of Town Centre to Potential Further Retail Planning Applications at Hardwick Road**

28. It is considered, based on the available evidence, that King's Lynn Town Centre is potentially vulnerable to further retail planning applications at Hardwick Road:
  - Hardwick Road is now a major, easily accessible, and competing shopping destination to Kings Lynn Town Centre;
  - the quantum and scale of retail floorspace at Hardwick Road is now larger than that provided in the town centre;
  - the town centre's retail offer has contracted in recent years with a town centre retailer (Next) having relocated from the town centre to Hardwick Road; and
  - the vacancy levels in the town centre have increased with a number of major national retailers closing stores.
29. Further retail floorspace will add to the critical mass of Hardwick Road as a one stop/shop destination further increasing its attraction and potentially drawing additional shoppers away from, and adversely impacting, the vitality and viability of the town centre.

### **Overall Conclusions/Advice on Retail Impact Threshold**

30. Having regard to our foregoing assessment and having regard to the current health, performance, unit and floorspace composition of King's Lynn Town Centre; anchor stores; increasing competition from the internet; the scale of existing retail floorspace at Hardwick Road and availability of units in the town centre, it is our professional opinion that the proposed nil impact threshold set out at Policy LP08 is too low and should be revised/increased to 500sq m gross.
31. In our opinion, and in part based on our experience with appraising retail planning applications for Council's across the Country, it is unlikely that proposals less than 500sq m gross floorspace could lead to a 'significant adverse' impact and merit the refusal of an application for town centre uses in accordance with the provisions of paragraph 90 of the NPPF. Notwithstanding this, when determining a planning application all impacts are material considerations and so officers may find the submission of a retail impact assessment helpful, even when a retail proposal is below the proposed 500sq m gross threshold, in considering the overall planning balance.

32. The threshold should not only apply to new floorspace, but also to changes of use and variations of planning condition to remove or amend restrictions on how units operate in practice. In considering proposals for variations of condition, the threshold should apply to the whole of the unit in question, rather than just the quantity of floorspace subject to the condition. To avoid any confusion in the application of the impact threshold in Policy LP08 we would advise this is clarified in the supporting text to the policy.

## Appendix 2

### Further Retail Note in Response to Inspectors Question - Retail Impact Threshold for Hardwick Road area of King's Lynn

1. This Further Retail Note has been prepared by Alder King Planning (AK Planning) on behalf of the Borough Council of King's Lynn and West Norfolk (the Council). It follows our earlier Retail Note dated January 2023 and provides further evidence to support the proposed retail impact floorspace threshold for the Hardwick Road area of King's Lynn.
2. As set out in our January 2023 Retail Note, Paragraph 16 of the National Planning Policy Guidance: Town Centres and Retail (NPPG) provides specific guidance in relation to setting impact floorspace thresholds. The January 2023 Retail Note considers the key matters set out in paragraph 16 and advises, having regard to the assessment that the proposed nil impact threshold set out at policy LP08 is too low and should be revised/increased to 500sq m gross.
3. We understand that the Inspectors currently examining the Council's Local Plan have asked for further evidence to support our recommended impact threshold of 500sq m gross. The remainder of this note provides this further evidence.
4. In considering the setting of a local impact threshold, it is important to give consideration to the type of development (relating to convenience and comparison goods retail uses, and leisure uses) which would, in practice, provide space for key operators who could act to 'anchor' a centre. Should one of these anchor units or operators leave a centre, there will likely be the potential for a significant adverse impact to arise. As such, where there is genuine potential for a planning application to divert a material level of expenditure away from a defined centre, or potentially remove a key occupier from that centre, there will likely be a requirement to consider the impacts arising from the proposal in detail.
5. It is considered that town centre anchor units in a town the size of Kings Lynn will typically provide at least 500sq m of gross floorspace. Such a unit could potentially accommodate an operator of importance, which is capable of attracting shoppers to a centre, thus increasing the potential for linked trips with other retailers and businesses in the town centre.
6. The latest town centre use composition of King's Lynn Town Centre provided by Experian is summarised in Figure 1 below. Experian undertake land use surveys of town centres and retail parks across the UK and are widely used by retail/town centre planners in planning application and local plan evidence base work.

**Figure 1: King Lynn Town Centre - Composition**

	Total Area (sq m)	Total Area (%)	National Average Floorspace (%)	Total No. of Units	Total Units (%)	National Average No. of Units (%)
Convenience	6,830	7	16	22	6	9
Comparison	34,880	37	30	125	32	27
Retail Services	7,430	8	7	62	16	16
Leisure Services	18,150	19	26	74	19	25
Financial & Business Services	12,440	13	7	52	13	9
Vacant	14,690	16	14	53	14	14
<b>Total</b>	<b>94,420</b>	<b>100</b>	<b>100</b>	<b>388</b>	<b>100</b>	<b>100</b>

Source: Experian Goad

7. Figure 1 shows that overall, Kings Lynn Town Centre (as defined by Experian) provides 388 retail and service units within 94,420sq m gross floorspace. The main anchor stores in the town centre include:
  - Marks & Spencer
  - Sainsbury's
  - H&M
  - Boots
  - Primark
  - WHSmith
  - Lidl
  - River Island
8. Figure 2 below provides a summary breakdown of the number of units in the town centre above and below 500sq m gross. The unit size breakdown information has also been provided by Experian.

**Figure 2: King Lynn Town Centre – Unit Size**

	No. of Units >500sq m gross	% of Units >500sq m gross	No. of Units <500sq m gross	% of Units <500sq m gross
Convenience	2	9%	20	91%
Comparison	14	11%	111	89%
Retail Services	1	2%	61	98%
Leisure Services	8	11%	66	89%
Financial & Business Services	4	8%	48	92%
Vacant	5	9%	48	91%
<b>Total</b>	<b>34</b>	<b>9%</b>	<b>354</b>	<b>91%</b>

Source: Experian Goad

9. Figure 2 shows that there are a relatively limited number of units greater than 500sq m gross in the town centre. All retail/service sectors in the town centre have less than 11% of units greater than 500sq m gross. In terms of the retail service sector, given that the sector in the town centre comprises mainly hairdressers and beauty salons operators it is not unusual that only 2% of units are greater than 500sq m gross floorspace. Overall, including vacant units, less than 9% of all units have a floorspace greater than 500sq m gross.
10. Accordingly, in this context, given the size and limited number of anchor units in Kings Lynn Town Centre, the potential for a 500sq m sized unit to be able to accommodate an operator of importance for the Town Centre, and the potential for significant adverse impacts to arise as a result of a potential anchor unit closing, relocating or diverting there store requirement to Hardwick Road we maintain our recommendation that the retail impact floorspace threshold of 500sq m gross is set out in Policy LP08.
11. It is important to note that the floorspace threshold recommendation is also reflective of the increasing town centre vacancy rate (see January 2023 Retail Note) and the potential for out-of-centre retail development at Hardwick Road to become even stronger in the future at the expense of the vitality and viability of King's Lynn Town Centre. Hardwick Road offers a range of comparison goods, which traditionally would have been sold from Kings Lynn Town Centre. As such, the recommendation is reflective of the need to safeguard against the Hardwick Road out-of-centre retail destination becoming even stronger at the expense of the health of the Town Centre.