

Planning and Transportation

LUTON LOCAL PLAN (2011-31)

Public Examination

Matter 13 Statement – Retail (LP2C, LP 3 and section 7)

November 2016

Luton Local Plan 2011-31 – Public Examination

Statement by Luton Borough Council (LBC)

Matter 13 – Retail (LP2C, LP 3 and section 7)

NB: LBC responses set out in blue font.

Main issue: Are the assessments of net additional floorspace robust? Does the plan ensure that these requirements will be met in appropriate locations?

Please note: the overall balance in terms of providing for retail and housing needs, within and outside Luton will be discussed under Matter 4. Issues regarding the use of individual strategic allocations will be considered at Stage 3.

Questions:

1. The Luton Retail Study Update recommends caution in relying on longer term projections (5.7.6). In this context are the projected net additional floorspace figures for convenience (9,064 sqm) and comparison (53,715 sqm) in the plan justified and based on a robust assessment? In particular, why are the additional floorspace figures in the Plan set at the upper end of the ranges recommended in the Study Update?

Luton is committed to improving and maintaining its retail function being a “Regional” centre (section 3.1 page 10 and 11 and Table 1.0 CEN005) in the sub regional Shopping Hierarchy (i.e. below that of ‘Major Regional’ centres Milton Keynes and Watford within the sub region) but needs to maintain this position against fierce competition from regional neighbours (para 2.2.4 CEN005a 2.14). Achieving this is dependent on improving Luton’s regional offer in order to remain successful and the retail strategy and distribution of forecast retail need ensures that new retail floorspace provision will aid ‘claw back’ of leaked trade to neighbouring centres (paras 6.4.19 and 4.3.15 and 4.3.16 and 5.6.7 CEN005) for both convenience and comparison shopping, and serve to reinforce the role of the town centre in accordance with principles of NPPF. The forecast of retail need over the plan period takes into account Luton’s population growth established in the SHMA 2015 and the OAHN for the wider Luton HMA as far as assumptions can be made about the distribution in relation to retail catchment and zones relating to Luton.

The degree of caution expressed in para 5.7. 6 (CEN005) is customary in the forecasting industry regarding the methodological uncertainty inherent in any forecast over a long timescale. Outputs tend to be regarded as indicative, particularly beyond 10 years - as applies to economic forecasts. Consequently, the retail study states that “it is not necessarily appropriate to meet all needs identified now”. The Submission local plan makes clear that the retail figures are indicative over the whole plan period (para 4.26 SUB001)).

Notwithstanding the above caveat, the Retail figures for convenience and comparison shopping are based on a sound methodology with the consultants White Young Green (WYG) having significant expertise and an established reputation in undertaking such forecasts. Luton has considered their

lower and upper range floorspace forecast for convenience and comparison and in Luton's judgment the upper range is justified as it is in keeping with:-

- Planning positively to support town centres, including regeneration and improvements in the public realm of the town centre, setting a vision and considering expansion and options for accommodating the scale of assessed need in full (PPG Paragraph: 001 Reference ID: 2b-001-20140306 and Paragraph: 003 Reference ID: 2b-003-20140306), linked to other strategies e.g. a programme of pedestrianisation improvements and establishing an accessible public transport hub via the Luton Dunstable busway and Luton station interchange connecting up the town centre with the conurbation and strategic allocations (e.g. Napier Park and the airport via Luton Parkway Station);
- Assumptions that a significant element of Luton's unmet housing needs and the needs of the wider Luton HMA will be met close to and or in locations accessible to Luton;
- Para 4.27 and 4.28 of the local plan (SUB001) based on the retail study analysis states that there is already an underrepresentation of convenience retail and a low market share of comparison floorspace within the town centre.
- The clear recommendations of the retail study and the need to ensure that the town centre improves its retail offer in order to compete with severe competition from its neighbours including significant proposals at North Houghton Regis which otherwise would divert trade from the town and add to leakage identified in the retail study (CEN005 section 6.4.19)

2. Are the assumptions which inform the assessments about population/ household growth consistent with those used to establish housing and employment needs? To what extent are these floorspace figures justified by an aim to increase Luton's share of retail spend, particularly in the town centre.

Yes. The Retail Study 2015 (CEN005) incorporates the SHMA 2015 population and household growth behind Luton OAHN and potentially a proportion of that of the wider Luton Housing Market Area. There is inevitably, an element of judgment in assimilating population from Census demography geographies within the Luton HMA into postcode/retail zones making up the study area which includes a wider hinterland than Luton's administrative area (see Appendix 1 to this Statement) for the Experian retail forecasting model used in the retail study. However, this technical 'best fit' has been completed by Opinion Research Services' (ORS) consultant working in direct liaison with WYG. Employment baseline EEFM 2012 jobs forecast also incorporates Luton's SHMA 2014 population (the OAHN for which is the same for Luton as in the 2015 SHMA update).

The distribution of the retail assessed need over the plan period and specific quota attributed to the town centre fitting within the 10 year periods for convenience and comparison provision, is dealt with in Q3 below. The context includes:-

- the town centres first approach and reliability of figures over the shorter term 10 years;
- the availability of opportunity sites) to deliver an improved offer for the town centre alongside wider regeneration schemes;
- continued improvement in the town centre environment through pedestrianisation schemes and improved accessibility afforded by the Luton guided busway, town centre and parkway stations and interchange improvements;

- consequent improved access to the town centre from District and Neighbourhood Centres, and key Strategic allocations (e.g. Napier Park, J10a/Stockwood Park, Butterfield Technology Park) and importantly Dunstable and Houghton Regis town centres, with buses serving urban extensions east, north and west of the conurbation) benefiting from improved stops (including level boarding and Real Time Passenger Information), bus priority measures and, where appropriate, further sections of guided busway.

3. Policy LP3 refers to the provision of 6,279 sqm convenience by 2020 and 30,096 sqm comparison floorspace by 2025. What is the justification using these figures in LP3 rather than the figures in Section 7 (to 2031). Is it clear what the plan requirement is and what the plan intends should be delivered? [the Retail Study Update of 2015 in 5.7.6 states that caution is recommended in relying on the longer term projections, that an updated assessment should ideally be carried out around every 5 years and, accordingly, it is not necessarily appropriate to plan to meet all needs identified now.]

Policy LP2 Spatial Development Strategy sets out the sequential approach to locating town centre uses in accordance with the retail hierarchy (with reference to Policy LP21 which lists Luton town Centre first) directing retail and town centre uses in accordance with policy LP21 reinforcing and enhancing the regeneration Luton Town Centre as a regional centre and the network of District and Neighbourhood Centres serving the Borough.

Policy LP21 Centre Hierarchy, therefore, details this approach more fully with respect to distribution of assessed retail need to be at a scale in accordance with the retail hierarchy (including the specific retail allocations at Power Court and The Northern Gateway) subject to sequential and impact tests where not in accordance with the retail hierarchy, and subject to the overall (indicative) assessed retail need for the plan period to 2031.

Based on the Retail Study 2015 (CEN005) Policy LP3 Town Centre Strategy earmarks the current assessed convenience floor space need to Power Court (i.e. 3,963 sqm) including the increase to 6,279 sqm by 2020 (i.e. first 10 years).

Policy LP3 also allocates comparison floorspace to the town centre - specifically 4,420 sqm by 2020 rising to 30,096 sqm by 2025 after allowing for commitments (i.e. the 10 years from 2015) and the bulk of this provision is to be accommodated at Power Court (Policy LP9 and or at the Creative Quarter Policy LP11 via the Northern Gateway. As discussed under Question 1 above, the inherent uncertainty in forecasting retail provision over 20 years requires a cautious approach. Therefore, only the figures up to 2020 and 2025 (i.e. up to 10 years) are regarded as having sufficient reliability to be included in policy LP3 for the town centre and it is understood, this approach holds with established practice for retail planning.

Nevertheless, the indicative need assessment convenience and comparison floorspace figures to 2031 are provided in the explanatory text in section 7 of the plan (see paras 7.14 and 7.15 SUB0001) in order to operate Policies LP2 and LP21 and give guidance to the commercial sector advancing other retail proposals over the longer term across the retail hierarchy. As recognised in Retail Study Update of 2015 (para 5.7.6 CEN005) not all of this potential need to 2031 must be provided now and therefore, neither should it be specifically allocated across the retail hierarchy.

The Council considers that the figures in Policy LP3 should be rationalised with the 10 year quanta for convenience floorspace being included within Policy LP2 as the convenience floorspace quanta is restricted under policy LP3 to the town centre when the intention is to also deliver convenience retail elsewhere within the hierarchy of centres. Further, the comparison figures should also be included on the same basis but with the clear restriction that any comparison in the other centres is small local scale individual shop units appropriate to serving the function of that centre in the hierarchy.

This approach provides flexibility to the consideration of further or alternative retail proposals within the other centres in the hierarchy. For example:-

- convenience floorspace proposed at Napier Park (2,500 sqm)*;
- Marsh Farm (1,000sqm)*;
- High Town Master Plan and retail anchor
- Sundon Park (Aldi Store now existing at 1,140 sqm net);
- Birdsfoot Lane South (to upgrade to Neighbourhood Centre);

**See Matter Statement 13 Retail and second paragraph below on the changing format of provision in these proposals*

If current convenience need is provided on Power Court this would leave scope for 2,886 sqm for the period to 2020 to serve Napier Park and Marsh Farm, Sundon Park and High Town which would not appear sufficient if needed over the first 10 years.

However, Marsh Farm has planning permission and an adopted Master plan which does not propose to provide an anchor store of 1,000 sqm , but rather is disaggregated into smaller shop units in a parade and to this extent, the 1,000 sqm can be discounted. Furthermore, Napier Park is subject to a revised planning application which does not propose to provide this scale of anchor store but a more fragmented format with A1 food comprising of 2 convenience units of 351 sqm and 322 sqm. Leaving this to one side, this would provide sufficient convenience floorspace headroom over the next 10 years to accommodate convenience floorspace at High Town, Sundon Park and Birdsfoot Lane South.

4. How will these convenience and comparison needs be met, including within the town centre and other centres, and on edge of centre or out of centre sites, including on strategic allocations. What is the floorspace breakdown between these locations and sites, including at Northern Gateway, Power court and Napier Park?

Question 3 addresses most of these points. The approach in the plan is to give guidance on the key sequential priorities over the current and 10 year period (i.e. up to 2025) for meeting convenience and comparison shopping needs and for any residual quanta within this period, and beyond this period, to be distributed by the market bringing forward proposals according to the town centre and

District and Neighbourhood Centre hierarchy (e.g. Policy LP 2 Spatial Development Strategy criteria C) without being prescriptive on the format (e.g. Marsh Farm master plan configures retail provision differently to that set out in policy LP12 and so may need adjustment).

Similarly, based on the Retail Study guidance, comparison floorspace is specifically restricted to the town centre - Power Court and the Creative Quarter (Northern Gateway) with the balance up to 2025 (and beyond) distributed according to whichever town centre scheme advances first. The expectation is that Policy LP9 Power Court will take the bulk of the overall comparison floorspace because of the scale of the opportunity site to deliver key town centre regeneration and its importance as “a brownfield site of 7 ha located in Luton Town Centre’s northeast Gateway” (Policy LP9). A summary of the potential retail capacity within the Town centre is summarised as follows:-

- **Town Centre:** (i.e. excluding Power Court): Taking the potential opportunity areas identified previously from the Town Centre Development Framework (CEN002), the capacity estimate was for 10,800 sqm for retail floorspace (e.g. Northern Gateway, Gap Site and Station Gateway and Mall Extension – the latter since completed). Examining the extant opportunity sites within the Creative Quarter, the Council estimates that potentially between 14,300 sqm and 28,700 sqm mixed (convenience and comparison) retail floorspace capacity could exist associated with the Northern Gateway, Gap Site and Station Gateway). Other potential floorspace has now been realised within the Castle Quarter with new ground floor units fronting on to Park Street.
- **Power Court:** Other convenience and comparison shopping – the whole site could accommodate 55,420 sqm mixed retail based on the undetermined application submitted in 2005 (05/01673/OUT). The recently submitted application 16/01400/OUTEIA (14th October 2016) proposes 10,800 sqm of retail (A1-A5) and an A1 foodstore of 3,000 sqm.

The Council accept that in the event the stadium for LTFC were to be built at Power Court then, depending on the development mix in the final scheme, it might be necessary to bring forward an early update and review of the Town Centre Framework to determine the options for accommodating the balance of retail investment. To cover this possibility LBC suggest that the need for the update and review of the Town Centre Framework might usefully be picked up as part of the emerging new policy setting out the scope of the review of the Luton Local Plan. It should also be noted that the retail study evidence (CEN005 para 5.7.6) states that “it is not necessarily appropriate to meet all needs identified now”. And that the uncertainty over the longer term signals the need for monitoring and review.

5. Have sites, including Power Court and Napier Park, been allocated to meet these needs in accordance with the sequential approach set out in national policy (NPPF para 23)? Is compliance with the sequential approach set out anywhere? Is Power Court a town centre or edge of centre site (as defined in the Glossary to the Framework – ‘For retail purposes, edge of centre is a location that is well connected and up to 300 metres of the primary shopping area’)? Have any site allocations outside the town centre been subject to an impact test? (PPG - 2b-006-20140306). If not, should an impact test be a policy requirement?

Power Court is an edge of centre location for retail purposes in that the site is substantially within 300 meters of the Town Centre shopping Area and Premier shopping frontage (within the Mall) and partly within 300m of the Primary shopping frontages, accessible to the town centre. For other town centre uses, Power court is within the town centre area shown on the policies inset map. The Northern Gateway and Creative Quarter share a contiguous boundary with the Town Centre Shopping Area and are considered town centre.

The Northern Gateway (Policy CA5) and Power Court (Policy CA7) are major redevelopment opportunity sites within the saved policies of the extant local plan (2006) with the intention that they accommodate significant non bulky retail. The extant plan acknowledges that proposals will be subject to the sequential approach (para 7.26) and will need to demonstrate flexible format (para 7.34) and also clarifies that while there is demand for retail stores in the town centre, few sites become available (para 7.36). In addition, para 7.44 and 9.22 requires that Power Court and Northern Gateway become integral to the town centre through offering a complementary mix of uses although given the scale of the potential projects is not specified in the plan.

The allocations at Power Court and Northern Gateway have been progressed following the sequential approach in the submitted local plan (SUB001). The sequential approach is originally documented within the Retail Study 2012 which reviewed the health of the town centre and district and neighbourhood centres and included an assessment of opportunities for accommodating growth through two broad options (section 1.7 Retail strategy Refresh Executive Summary 2012 – Appendix 2 to this Statement) which followed through with recommendations in section 1.8 Future Retail Strategy and a map of the two opportunity sites (included as Appendix 3 to this Statement). The appropriate provision of two large allocated opportunity sites is consequently included within the Retail Study update 2015 (para 5.5.9 CEN005) for retail development (para 2.4.4 CEN005) as forming extensions to the town centre.

Both studies concluded that these allocations were a strategic priority as opportunity sites to delivering a step change regeneration of the town centre through improving the retail offer (para 5.59, 5.69; 6.4.17 CEN005) in line with the sequential approach (6.4.18, 6.4.21 and 7.1.3 bullets 4, 12 and 13 and 7.2.1 bullets 1 and 2 CEN005).

It should also be noted that the retail study (CEN005 para 3.3.13) acknowledges that with regard to representation from large department stores or mixed goods retailers and other national multiples seeking large format premises – there is unlikely to be any opportunity for retailers seeking such premises to locate within the primary shopping area.

In the extant local plan Power Court is treated as an edge of centre site within the Central Area Inset Map but with the intention that complementary mixed use, design and access to the Mall and Town Centre will deliver an extension to the Town Centre. An impact assessment was made of this site by GVA Grimley in November 2005 on behalf of Ballymore Properties in support of its planning application which included mixed use retail (see Appendix 4 to this Statement) and this concluded that the retail development impact would be positive, significantly increasing the turnover of the town centre, and that 'there are no more centrally located opportunities within Luton town centre which individually or collectively are capable of meeting the identified needs which could be regarded as suitable, viable and available within a reasonable timescale'.

In the submitted local plan, Power Court is within the town centre boundary on the inset map but not within the town centre shopping area. This is a similar approach to the extant local plan. However, the submitted local plan Policy LP9 clarifies the site as being located in Luton Town Centre's northeast gateway.

Napier Park was granted outline planning approval in April 2015 (13/002280/OUT) for mixed use development including convenience retail. The Council considers that the scale of mixed use which includes significant housing was significant enough to warrant treatment as a new centre within the District and Neighbourhood hierarchy and therefore is compliant with national policy (NPPF sequential test).

6. The representation from Central Bedfordshire Council (6.5 page 25) states that outline permission has been granted at Napier Park for comparison and convenience floorspace (1788 and 1428 sqm respectively). Does this have any bearing on the plan given that Policy LP8 does not specifically refer to comparison retail (although it does refer to a foodstore and a new neighbourhood centre)?

The permission at Napier Park does not accord with the policy intention of the submitted local plan which restricts the non-bulky comparison floor space provision sequentially to the town centre. However, national policy on the presumption in favour of sustainable development and the importance of development viability in delivering growth and regeneration are matters that were material to granting consent for comparison retail because the development is delivering significant new mixed housing and employment whose population and workers would be served by, what were demonstrated to be, modest retail proposals supported by a Retail Impact Assessment including sequential assessment (see also question 3 regarding the changing format of retail proposals on Napier Park)..

7. What bearing, if any, would the consented retail development at North of Houghton Regis Urban Extension (see 5.3.3 of Retail Study Update 2015) have on the retail requirement in Luton? Will the Houghton Regis proposals meet any of Luton's needs?

The consented proposal for retail at North Houghton Regis (i.e. 202,500sqm gross of additional development in Use Classes: A1, A2, A3 retail, A4, A5 CB/12/0361/OUT) has a competitive albeit modest impact on Luton Town Centre. Evidence prepared for Central Bedfordshire Council (para 2.56 Turley Associates Audit of Retail Assessment June 2013) suggested that the impact might be less than 5 % in 2017 reducing to 4% by 2022. Nevertheless, the Council was concerned at this level of impact in its response to CBC's development strategy and the HRN1 (North Houghton Regis) planning application. Luton's retail study similarly considers that this development would impact on Luton Town Centre. The effect of this commitment together with other commitments is recognised in the retail study and its consequent impact on phasing for comparison floorspace need particularly in the period up to 2022.(CEN2005 para 5.3., 5.3.4 and 5.7.3).

8. Are the relevant strategic allocation policies specific enough about the amount of floorspace to be delivered for convenience and comparison floorspace? For example, Policy LP9 (Power Court) refers to comparison floorspace being *accommodated in accordance with the borough's overall identified need for the town centre* and Policy LP3 refers to 30,096 sqm of non-bulky comparison

goods by 2025 in the town centre? What is the overall intention in terms of floorspace delivery at Power Court and elsewhere in the town centre?

The answer to this question is provided under questions 3, 4 and 5 and in summary, Luton agrees the need to rationalise the figures between policies LP2 Spatial Development Strategy and LP3 Luton Town Centre Strategy in order to make clear the restriction of the quanta of comparison floorspace to the town centre (Power Court and Creative Quarter) whereas the bulk of the current provision (to 2015) is directed to Power Court but that the residual quanta of convenience floorspace over the following 10 years (including potentially over the remainder of the plan period), is identified within strategic allocations policies, to be advanced by the market with appropriate scale proposals for the Town, District and Neighbourhood hierarchy.

With the emergence of the stadium-related proposals on Power Court the Council acknowledges that if those proposals were to proceed in the form set out in the submitted planning application then the scope for accommodating the full extent of comparison floorspace within the town centre would need to be reviewed, although it is clear there is more than sufficient capacity to cater for the anticipated growth in the early years and the retail evidence also suggests that not all of the assessed need for the plan period should be addressed now. It is also noted that the Council's Town Centre Framework, which has informed production of the local plan is now becoming dated. Given these circumstances coupled with the town centre focus of the spatial strategy in the local plan LBC considers that the need for an update and refresh of the Town Centre Framework is required and this could be helpfully added to the list of matters to be addressed to inform the review of the local plan.

9. The Council's paper on 'Centres' (CEN 001) refers to a need to review 'assessed capacity' around every 5 years due to the volatility of much of the data and assumptions (para 5.53). The Luton Retail Study Update 2015 recommends caution in relying on longer term projections and also refers to a review every 5 years. In this context, should there be an early review and a commitment to this in the plan?

Luton understands the caution that should be applied to any long range forecasts and agrees that such forecasts are a yardstick with which to test the feasibility of strategy treating outputs as indicative targets which should not be taken as concrete outcomes that cannot be reassessed and reviewed.

However, the NPPF also requires local plans to be positive and seek to meet objectively assessed needs as far as possible. Luton is confident in the future growth planned which will be of significance to Luton and its retail catchment over the next 20 years and the continued improvements within the town centre and transport access to the wider retail catchment and conurbation. Luton wishes therefore, to retain the upper quanta of floorspace within the plan (which fits with the aspiration of regenerating the town centre so that it can maintain and compete with neighbouring centre to claw back expenditure and trade diversion) but agrees that this quanta should be subject to an early review in view of the Growth Options Study, FEMA and national retailing trends which may amend the quanta.

