



ACS Submission: Revised National Planning Policy Framework

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to the Ministry of Housing, Communities and Local Government consultation on the draft of the National Planning Policy Framework. ACS represents 33,500 local shops across the UK including the Co-op, Spar UK, McColls Retail and thousands of independent retailers. For more information about ACS, see Annex A.

ACS is a longstanding supporter of “Town Centre First” planning policy. We believe it is important that the “Town Centre First” planning policy is retained and strengthened in the draft National Planning Policy Framework (NPPF) to drive new retail investments into existing town centres and high streets. Lack of clarity and consistency around the enforcement of this policy will be detrimental to the vitality and viability of town centres at a time when there is significant change on high streets and in sectors like retail that have a significant presence on the high street.

The retail market has changed significantly since 2012 when the NPPF was first introduced. There is far less new retail space being developed, especially out of town retail developments, as grocery and non-food retailers attempt to maintain, or in some case consolidate, their existing retail floorspace. This reflects changes in the retail market with a shift in the cost of operating large footprint retail sites, more online shopping and the increasing relevance of using small format convenience stores for little and often grocery shopping. These changing shopping habits are relevant to the development of the draft NPPF.

We welcome the numerous mentions of local shops in the revised NPPF and the recognition of the important role they play in both rural and urban areas. In our response, we have argued that planners need to think carefully about how they will account for the provision of retail space in secondary shopping areas where convenience stores trade, especially where new housing developments are brought forward.

ACS has responded to the relevant consultation questions below. ACS is also a member of the National Retail Planning Forum (NRPF) and endorse their submission. Please see Annex B polling jointly developed by ACS and NRPF of 69 local authority planning officers, collected October/ November 2017 asking them about their views on the effectiveness of the NPPF. For more information please contact Edward.woodall@acs.org.uk or call 01252 515001.

CHAPTER 2: ACHIEVING SUSTAINABLE DEVELOPMENT

Question 2: Do you agree with the changes to the sustainable development objectives and the presumption in favour of sustainable development?

We welcome the clarification of the criteria for the presumption in favour of sustainable development. We support a plan-led system and believe that the planning system will only be as strong as the local plans that are developed in close consultation with their communities. As far as possible local plans should determine developments with the presumption in favour of sustainable development as a back stop.

We would like to understand the impact that point 11d(i) may have on the application of the sequential test and impact tests included in Chapter 7 of the draft NPPF. In the NPPF paragraph 14 it says “specific policies in this Framework indicate development should be restricted.” This is included to ensure policies such as the sequential test and impact tests for town centres are properly applied. There is no longer a reference to “specific policies” in the draft NPPF, instead the document now states: “the application of policies in this Framework.” Is this change going to undermine the application of gateway tests such as the sequential test in chapter 7?

We do not want to see a situation created where the presumption in favour of sustainable development overrides the application of important tests included in the NPPF. We recognise that later in the draft NPPF at paragraph 91 there is a specific reference stating: “Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above considerations, it should be refused”. We would welcome clarification of this point in planning policy guidance or by re-introducing language about “specific policies”.

CHAPTER 3: PLAN MAKING

Question 6: Do you have any other comments on the text of Chapter 3?

Paragraph 20 of Chapter 3 identifies retail developments as possible strategic site allocations. Paragraph 22 indicates that such strategic site allocations should look ahead over a minimum 15-year period. This timeframe conflicts with the timeframes set out in Chapter 7 paragraph 86d in relation to town centre planning.

We believe that 15-year planning timeframe for town centres is too long to be accurate. In polling of planning officers completed by ACS and NRPF over half (52%) state that the current approach to quantitative needs assessment does not provide sufficient understanding to formulate effective local plans¹. The further forward retail projections are required the more difficult it is to be accurate, especially with the retail environment changing so quickly.

We believe it is important for the draft NPPF and supporting guidance to be clear about the timeframes we are expecting local planners to take into consideration. Based on the current draft there are three timeframes we are asking planners to consider in relation to town centre retail developments; the review of local plans every 5 years (paragraph 23), allocation of retail sites over 10 years (paragraph 86d) and for strategic retail developments over 15 years (paragraph 22).

With significant change happening in the retail sector we believe it will be difficult to project forward 10 years, let alone 15 years. We urge MHCLG to consider clarifying in planning guidance what developments constitute strategic developments over those that only require a 5 to 10-year growth projection and the most appropriate way to project need over this period.

In paragraph 34 we believe that included in the list of other infrastructures there should be a specific reference to local services or local shops. Based on current shopping trends, consumer shopping habits focus on shopping little, often and close to their homes, therefore where new housing developments come forward they need to consider the allocation of convenience retail provision.

¹ ACS/ NRPF Polling of Local Planning Officers 2017 – sample 69

CHAPTER 5: DELIVERING A SUFFICIENT SUPPLY OF HOMES

The debate on housing dominates the discussion on planning policy at both local and national level, it is important that the provision of retail services alongside housing and the introduction of housing into environments where retail has traditionally dominated are carefully considered. Changing shopping habits could mean there are opportunities to consolidate and convert existing non-domestic premises, but a balance must be struck to ensure there are still enough local services in areas to support communities, like local shops and post offices.

We welcome the stipulation in paragraph 80 for the need to promote sustainable development in rural areas and for local plans to support existing villages to thrive. Convenience stores play an essential role in rural communities providing goods and services to isolated communities. There are 19,000 rural convenience stores in the UK, 57% of which trade in locations with no other retail/ service businesses around them². Where new housing development comes forward, local plans must consider how they complement existing service in villages and small towns like local shops.

Local shops often consolidate a range of local services that would have previously been delivered by numerous individual businesses, for example post offices, off licenses and banks. We therefore believe it is important that instead of the NPPF referencing “local services” in paragraph 80 it should stipulate (as it does in paragraph 84d and 93a) that this includes local shops, in recognition of the many local services one shop can now maintain and deliver to a community.

CHAPTER 6: BUILDING A STRONG COMPETITIVE ECONOMY

Question 15: Do you agree with the policy changes on supporting business growth and productivity, including the approach to accommodating local business and community needs in rural areas?

We welcome Chapter 6 on building a strong, competitive economy. We endorse paragraph 83d that stipulates that plans need to be able to “enable a rapid response to changes in economic circumstances”. In the retail sector there is significant change, meaning that retailers need the flexibility to adapt their business whether by expanding their business or incorporating new services in their business – the planning system must allow for this change to take place.

We agree that local plans should enable the retention and development of local services as stipulated in paragraph 84d. We are conscious that the focus on new housing developments could pose a threat to some retail provision in rural communities as shop premises may be more valuable as residential property. We believe that conversion of retail premises to residential property should only be approved following proper consideration of: the potential impact on the economic health of the retail centre, the need to maintain an adequate provision of essential local services, and the potential impact on the local character of the area. These three safeguards should ensure conversions support effective retail provisions in conjunction with an up-to-date Local Plan.

CHAPTER 7: ENSURING THE VITALITY OF TOWN CENTRES

ACS supports a “Town Centre First” policy as we believe it is important to drive new retail developments into existing town centres and high streets to complement services in established centres. We believe that the existing “Town Centre First” policy has not been as

² ACS Rural Shops Report 2018

effective as it could have been in delivering developments into town centres, ACS' research from 2014 showed that in the first two years of the NPPF that 76% of retail floorspace was delivered in edge of town or out of town locations³.

We also recognise that the number of retail developments coming forward in both in-town and out of town locations has also declined since the introduction of the NPPF. This is the result of challenging economic circumstances, changes in consumer shopping habits and increased overheads for retail businesses. Nevertheless, we believe that the "Town Centre First" policy is more relevant than ever for ensuring the vitality and viability of town centres.

ACS and NPPF polling of local planners suggesting that opinion on the effectiveness of the "Town Centre First" policy is divided – 49% think it is very or fairly effective while 42% think it is ineffective⁴. It is arguably the case that the location of large retail developments is more likely to be determined by the application of planning case law⁵ than by the National Planning Policy Framework. We believe the changes proposed in the draft NPPF are positive but could go further to clarify the policy in both the draft NPPF and supporting guidance.

Question 18: Do you have any other comments on the text of Chapter 7?

We welcome the statement that planning policies should define a network and hierarchy of centres as per paragraph 86a. This should encourage different centres to grow, support "Town Centre First" policy and ensure local retail needs are met in tertiary centres. The hierarchy of centres supporting Town Centre First policy should not prevent local shop developments in neighbourhood areas by enforcing the sequential test, instead recognising that these stores are serving a hyperlocal customer base and will not divert trade away from the primary centre.

Timescales for meeting needs/allocating sites

We welcome that the draft NPPF now specifies that the timescales for meeting needs and the allocation of sites will be 10 years instead of the whole plan period. However, we are concerned that it will be difficult for local planners to project across a 10-year period – longer term retail capacity forecasting is not very reliable. We recommend either shortening the time period to five years in-line with the period that local plans are reviewed or replacing the text in the draft NPPF 'looking at least 10 ten years ahead' with 'over the period covered by the relevant policy'.

The Sequential Test

We welcome the inclusion of the reference to site availability within a reasonable period in paragraph 87 but remain concerned that paragraph 88 is still unclear as to whether the disaggregation of a retail scheme comprising separate elements should be considered. We would suggest clarifying in planning guidance or in the draft NPPF that there is potential for need to be accommodated across several sites where there is no demonstrable need for the scheme to be accommodated on a single site.

CHAPTER 8: PROMOTING HEALTHY AND SAFE COMMUNITIES

We welcome the acknowledgement of the role of local shops in providing healthy and safe communities in paragraph 92c and paragraph 93a. Local shops support the health of

³ Retail Planning Decision Under the NPPF

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⁵ Hull and Dundee

communities through the range of products and services offered. The catchment for a convenience store is hyperlocal, over half (53%) of customers come from within a quarter of a mile of the store and 56% of customers travel to stores on foot⁶

We welcome the recognition of the need for businesses to adapt in paragraph 93d. There are many examples where retail and food service operations are merging, and it is important that the planning system does not hamper this natural development. Equally local shops are expanding into other service provision that is impacted by the planning system, for example click and collect lockers which require planning permission.

There are numerous mentions of “community facilities” and “local services” in the draft NPPF and we welcome the direct reference to local shops in these sections. There are a range of other services that are important to communities that should be considered as part of the draft NPPF. ACS’ Community Barometer⁷ report (see infographic at Annex C) explores consumer’s views of the services that have the most positive impact on their communities and service that are most desired. Post Office and convenience stores are perceived to have the most positive impact on communities and bank branches are the second most wanted service.

The value placed on Post Offices and the desire for more banks could be in part a response to extensive bank branch closures⁸. These bank closures have left many small businesses, home workers and residents to depend on Post Offices, ATMs and other mail and bill payment services. We would welcome an explicit recognition of the importance of banking services to the sustainability of local centres, communities and the economy included in the draft NPPF under Chapter 8 or included where “community facilities” or “local services” are defined.

CHAPTER 11: MAKING EFFECTIVE USE OF LAND

There is a specific reference in paragraph 118 d about the conversion of space above retail premises. Retailers have not raised concerns about planning policy being a barrier to the conversion of space above retail premises. Retailers have raised concerns about the investments required in residential units and space above shops to comply with the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, which require all existing tenancies to have a minimum energy performance rating of E on an Energy Performance Certificate (EPC) from April 2020. Typical investments include installing fire-resistant firewalls in the flooring and improving insulation, with all new tenancies needing to meet the E rating from April 2018.

Retailers are sensitive to the compatibility of retail premises with residential uses above and planners must ensure that encouraging residential uses above shops does not place new restrictions on the trading business underneath, which are open long hours and have frequent deliveries. On average convenience stores are open 14.4 hours a day Monday to Saturday and 12.7 hours on Sunday⁹ this brings implications for local parking facilities and noise pollution around stores. The MHCLG may wish would consider making some reference in the draft NPPF or supporting guidance to the principle of “agent of change” where new housing is developed above or near to shops. This would give businesses certainty that any introduction of residential property above or near their business will not

⁶ ACS Local Shop Report 2017

⁷ ACS Community Barometer 2017

⁸ Which? data on bank branch closures

⁹ ACS – Local Shop Report 2017

impact on their ability to trade. The principle is being considered as part of the Draft London Plan¹⁰.

Paragraph 121 states that local planning authorities should support housing developments in areas of high demand, where the application does not undermine the town centre. This should be amended to ensure that housing developments do not undermine the retail provision required to meet local needs in secondary areas, especially considering the potential higher value of local shops as a residential property as mentioned in response to Q15.

¹⁰ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-3-design/policy-d12-agent-change>

ABOUT ACS

The Association of Convenience Stores lobbies on behalf of around 50,000 convenience stores across mainland UK on public policy issues that affect their businesses. ACS' membership is comprised of a diverse group of retailers, from small independent family businesses running a single store to large multiple convenience retailers running thousands of stores.

Convenience stores trade in a wide variety of locations, meeting the needs of customers from all backgrounds. These locations range from city centres and high streets, suburban areas such as estates and secondary parades, rural villages and isolated areas, as well as on petrol forecourts and at travel points such as airports and train stations.



WHO WE REPRESENT

INDEPENDENT RETAILERS



ACS represents 22,397 independent retailers, polling them quarterly to hear their views and experiences which are used to feed in to Government policy discussions.

These stores are not affiliated to any group, and are often family businesses with low staff and property costs. Independent forecourt operators are included in this category.

SYMBOL GROUPS AND FRANCHISES



ACS represents 14,659 retailers affiliated with symbol groups. Symbol groups like SPAR, Nisa, Costcutter, Londis, Premier and others provide independent retailers with stock agreements, wholesale deliveries, logistical support and marketing benefits.

Symbol group forecourt operators and franchise providers like One Stop are also included in this category.

MULTIPLE AND CO-OPERATIVE BUSINESSES



ACS represents 12,862 stores that are owned by multiple and co-operative retailers. These businesses include the Co-Operative, regional co-operative societies, McColls, Conviviality Retail and others.

Unlike symbol group stores, these stores are owned and run centrally by the business. Forecourt multiples and commission operated stores are included in this category.

THE CONVENIENCE SECTOR



In 2017, the total value of sales in the convenience sector was £38bn.

The average spend in a typical convenience store transaction is £6.28.



There are 49,918 convenience stores in mainland UK. 74% of stores are operated by independent retailers, either unaffiliated or as part of a symbol group.



The convenience sector provides flexible employment for around 370,000 people.

24% of independent/symbol stores employ family members only.



20% of shop owners work more than 70 hours per week, while 19% take no holiday throughout the year.

72% of business owners are first time investors in the sector.



Convenience stores and Post Offices poll as the two services that have the most positive impact on their local area according to consumers and local councillors.

79% of independent/symbol retailers have engaged in some form of community activity over the last year.



Between August 2016 and May 2017, the convenience sector invested over £858m in stores.

The most popular form of investment in stores is refrigeration.

OUR RESEARCH

ACS polls the views and experiences of the convenience sector regularly to provide up-to-date, robust information on the pressures being faced by retailers of all sizes and ownership types. Our research includes the following regular surveys:

ACS VOICE OF LOCAL SHOPS SURVEY

Regular quarterly survey of over 1200 retailers, split evenly between independent retailers, symbol group retailers and forecourt retailers. The survey consists of tracker questions and a number of questions that differ each time to help inform ACS' policy work.

ACS INVESTMENT TRACKER

Regular quarterly survey of over 1200 independent and symbol retailers which is combined with responses from multiple businesses representing over 3,000 stores.

ACS LOCAL SHOP REPORT

Annual survey of over 2400 independent, symbol and forecourt retailers combined with responses from multiple businesses representing 6,291 stores. The Local Shop Report also draws on data from HIM, IGD, Nielsen and William Reed.

BESPOKE POLLING ON POLICY ISSUES

ACS conducts bespoke polling of its members on a range of policy issues, from crime and responsible retailing to low pay and taxation. This polling is conducted with retailers from all areas of the convenience sector.

ANNEX B

Methodology

ACS | the voice of local shops

- Sample of 69 Local Authority Planning Officers
- Online survey, via SurveyMonkey
- Data collected between the 19th October and 3rd November 2017
- Where percentages do not add up to 100%, this is due to rounding

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Summary

ACS | the voice of local shops

- Opinion is divided on the effectiveness of the NPPF on delivering the 'Town Centre First' policy'
- Almost half think that the Government's commitment to securing sustainable economic growth makes it **more likely** for an out-of-centre retail scheme to be approved
- Almost three quarters think it is **effective** to use primary and secondary frontages to set out which uses will be permitted in town centres and primary shopping areas
- 39% **do not** think that the sequential test provides sufficient support to encourage town centre development
- Three quarters think that calling for 'flexibility on issues' is **ineffective** at encouraging developers to change the scale and format of their proposals
- Almost 90% think that demonstrating new retail developments will have a 'significant adverse impact' on town centre vitality and viability is **difficult**
- Almost four fifths think that assessing the economic, social and environmental impacts of a potential retail/town centre scheme is **difficult**

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Opinion is divided on the effectiveness of the NPPF on delivering the 'Town Centre First' policy'

ACS | the voice of local shops

"How effective/ineffective do you think the National Planning Policy Framework (NPPF) has been in delivering the Government's 'Town Centre First' policy, which seeks to promote new retail and leisure development and investments in town centres ahead of edge and out of centre locations."

Effectiveness	Percentage
Very effective	3%
Fairly effective	46%
Neither effective nor ineffective	9%
Fairly ineffective	32%
Very ineffective	10%

49% think it is effective

42% think it is ineffective

Base = 69

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Almost half think that the Government's commitment to securing sustainable economic growth makes it more likely for an out-of-centre retail scheme to be approved

ACS | the voice of local shops

National planning policy emphasises the Government's commitment to securing sustainable economic growth. Do you think this makes it more or less likely that an out-of-centre retail scheme will be approved or refused?

Likelihood	Percentage
Much more likely to be approved	16%
Somewhat more likely to be approved	32%
Does not change the likelihood of approval	32%
Somewhat more likely to be refused	18%
Much more likely to be refused	1%

48% think it is more likely to be approved

Base = 68

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Over three fifths think that the NPPF guidance is effective at enabling LPAs to develop retail and town centre policy appropriate for local circumstances

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How effective is the guidance in the NPPF in enabling LPAs to develop retail and town centre policies that are appropriate for the local circumstances?

Effectiveness	Percentage
Very effective	7%
Fairly effective	55%
Neither effective nor ineffective	22%
Fairly ineffective	13%
Very ineffective	3%

62% think it is effective

16% think it is ineffective

Base = 69

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Over half think that the current approach to quantitative needs assessment provide their LPA with sufficient understanding to be able to formulate effective local planning policy

ACS | the voice of local shops

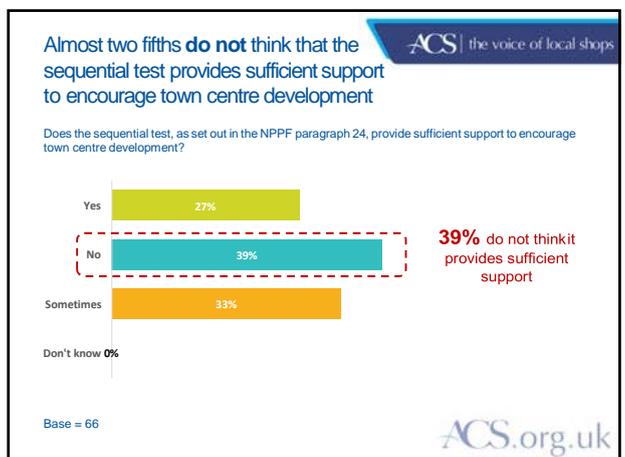
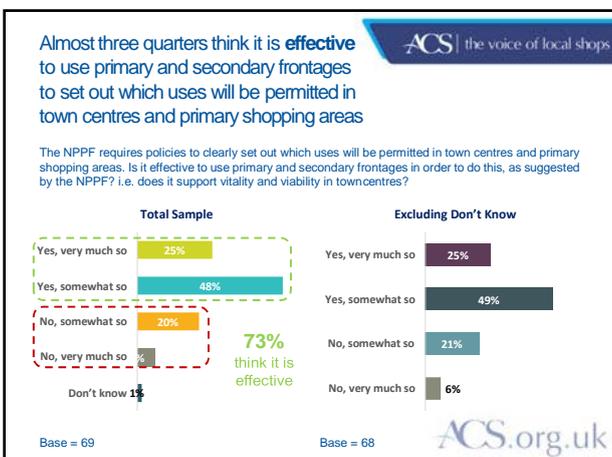
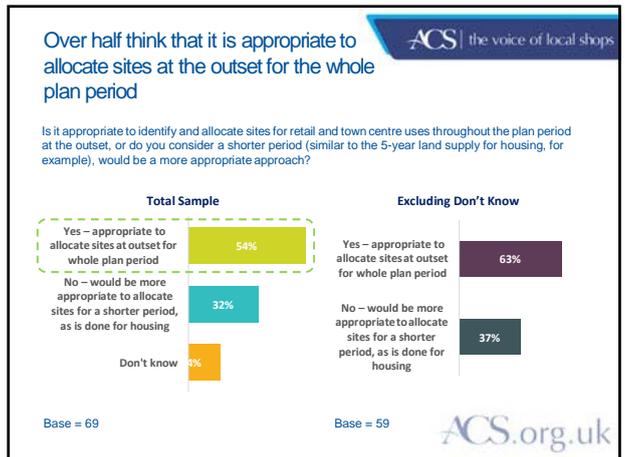
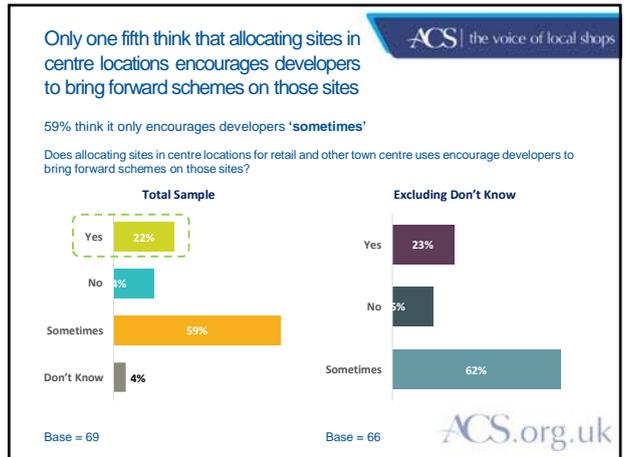
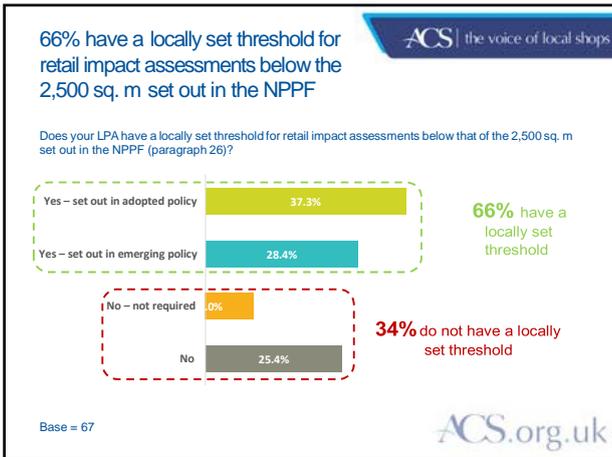
Does the current approach to quantitative needs (capacity) assessment as part of the evidence base, provide your LPA with sufficient understanding of the current and future needs of your area to be able to formulate effective local planning policy for retail, leisure and other town centre uses?

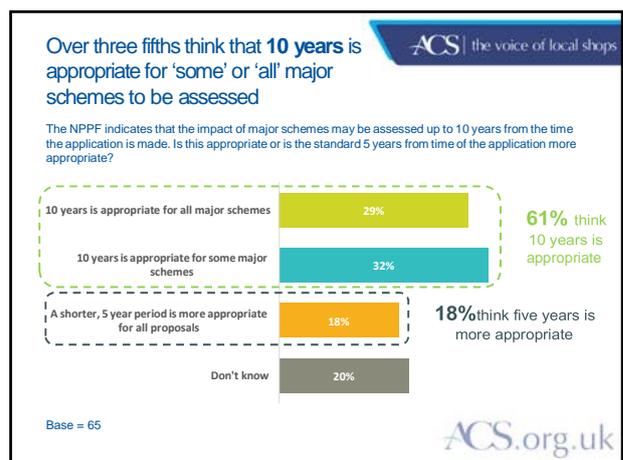
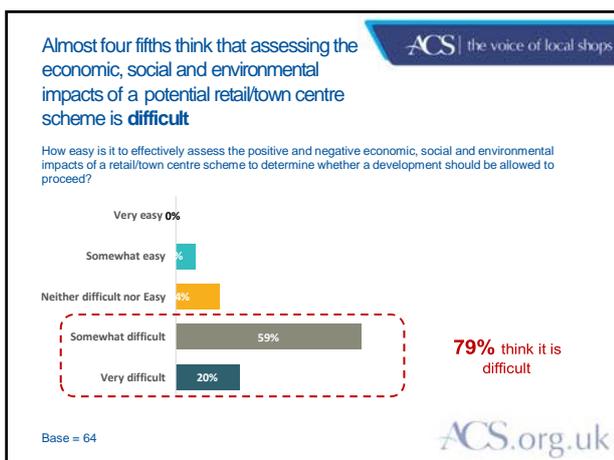
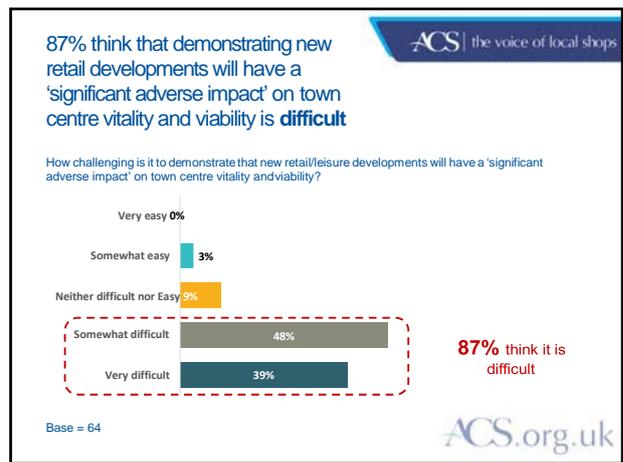
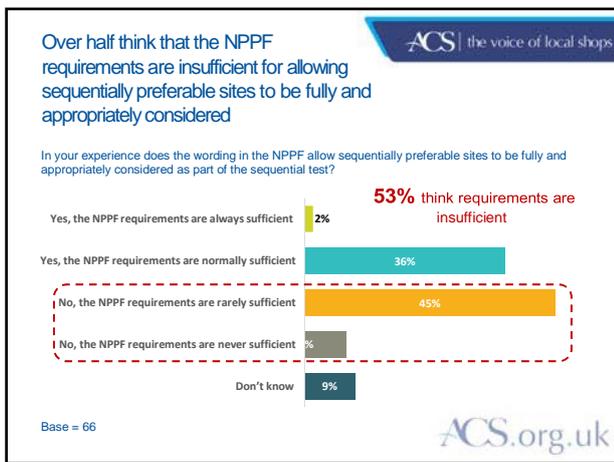
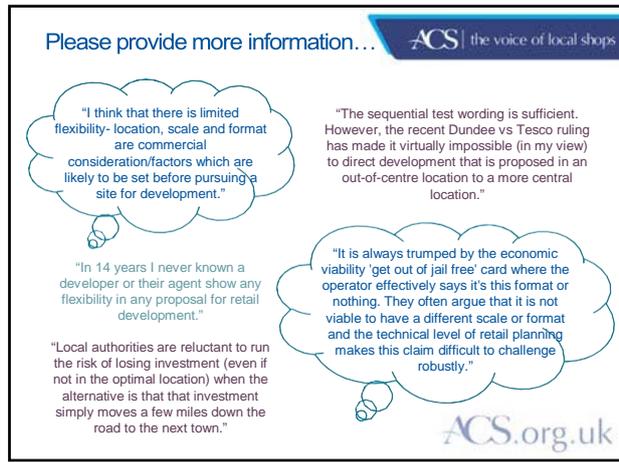
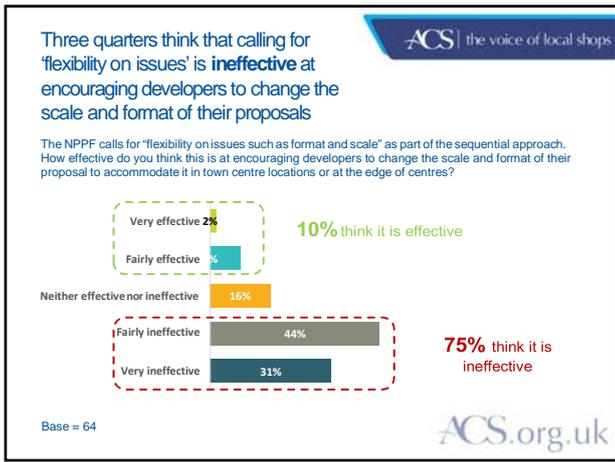
Response	Total Sample	Excluding Don't Know
Yes	52%	55%
No	8%	5%
Sometimes	28%	29%
Don't Know	6%	-

Base = 69

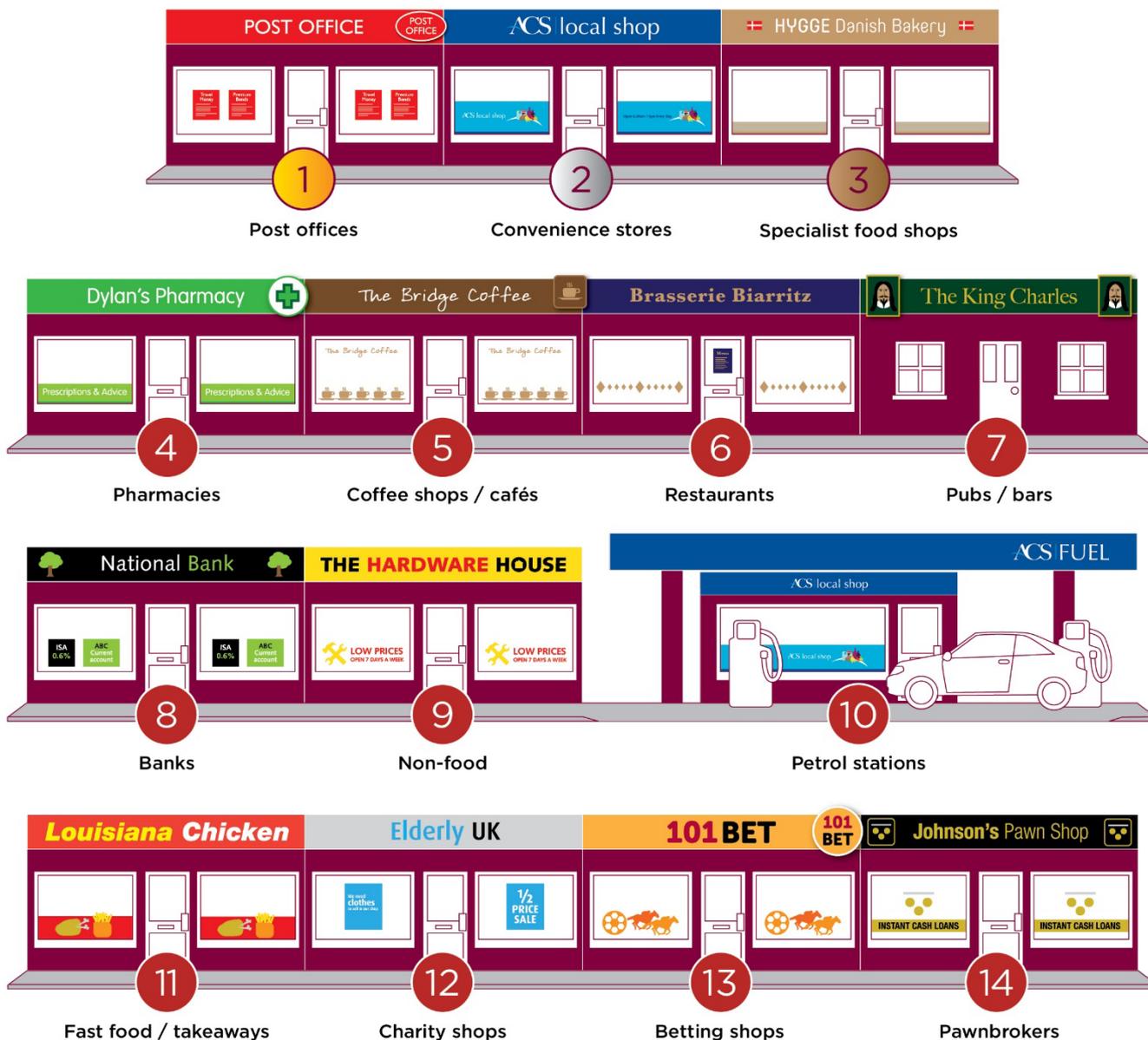
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MOST POSITIVE IMPACT ON THE LOCAL AREA



TOP THREE MOST WANTED SERVICES

