

# Plan:MK Topic Paper - Issues Consultation Town Centres and Retail

September 2014



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Plan:MK



## Plan:MK Topic Papers - Issues Consultation

### Introduction

Plan:MK, a new Local Plan for Milton Keynes, will set out a development strategy for Milton Keynes up to 2031 with a range of detailed policies to guide development over this period.

It will replace the Core Strategy, adopted in 2013 and the existing Local Plan (2005) which together currently form the part of development plan for the Borough.

Once complete, Plan:MK and any Neighbourhood Plans, will be the starting point for planning advice, (other than for Minerals and Waste) and decisions made by the Council. It will set out how much development is expected over the plan period and the location of development sites across the Borough. It will also include detailed policies to ensure that all development is of high quality and respectful to the character of Milton Keynes, and that unplanned development only occurs where it is appropriate.

Plan:MK has to be prepared within the context of national planning policy and within the legislative framework set out by the Government. This Topic Paper is part of the first stage in the process where we are seeking initial view of the public and other interested parties on what should be in Plan:MK.



### What is the purpose of the Topic Papers?

This is one of a series of Topic Papers published by the Council at this time. In total there are twelve Topic Papers covering:

- Growth in Housing
- Employment and Economic Development
- Town Centres and Retail
- Transport and Travel
- Rural Issues
- Provision of Physical and Social Infrastructure
- Quality of Place
- Culture, Recreation and Quality of Life
- Open Space and the Natural Environment
- Climate Change and Sustainability
- Duty to Cooperate
- The Way Forward: Preparing a Vision and Development Strategy for Plan:MK

Each of the Topic Papers is available on the Council website at <http://www.milton-keynes.gov.uk/planmk>

The aim of the papers is to engage everyone with a stake in the future growth and development of Milton Keynes in the preparation of Plan:MK. They cover a range of topics, sometimes interlinked, which the Council have identified as being key to the development of the Plan.

Each paper summarises the background to the topic, setting out data and policy context, before highlighting key issues and posing questions for the reader - the responses to which will help the Council in the development of Plan:MK.



The final topic paper, "The Way Forward" draws together issues raised in the preceding papers and considers what they mean for the Vision and Development Strategy.

When we produce the final version of Plan:MK, the Vision and Development Strategy will be at the start of the Plan, setting the scene for the policies that will follow.

These Topic Papers are being published for consultation in accordance with Regulation 18 'Preparation of a local plan' of the Town and Country Planning (Local Planning) (England) Regulations 2012.



## How to respond

The Council would appreciate any feedback you have on the Topic Papers. In particular, if you can focus on the questions posed it will help with the development of the plan. Feedback can be submitted:

- Online via our consultation portal: <http://miltonkeynes-consult.objective.co.uk>
- Via email: [PlanMK@milton-keynes.gov.uk](mailto:PlanMK@milton-keynes.gov.uk)
- In writing: Development Plans, Civic Offices, 1 Saxon Gate East, Central Milton Keynes, MK9 3EJ

All comments should be received by **5pm on Wednesday 3rd December 2014.**

## How will the feedback be used?

The next stage of the process will be to develop a Preferred Options document, which will set out the Council's initial draft of Plan:MK.

Feedback from this Issues consultation will help to shape the options considered as part of the development of the Preferred Options. These options will evolve through further focused consultation with key stakeholders.

The Council expects to publish the Preferred Options document for consultation in 2015.

The overall aim is to get a final plan prepared by early 2016, at which time it will be submitted to the Government and be subject to independent examination.

## Introduction

**1** This Topic paper covers town centres and retailing issues, it is divided into three sections covering:

- **Background:** A background section covering the historical development and local context to retailing and town centre development within the city.
- **Policy Context:** The national and local policy context to retailing provided by the National Planning Policy Framework (NPPF) the Milton Keynes Core Strategy (2013), the Milton Keynes Local Plan (2005) and Neighbourhood Plans covering town centres.
- **Retail Trends and Issues:** The section deals with retail trends and issues including the rapid pace of change in retailing brought about by such factors as the impact of the Internet and the challenges to the city posed by the polarisation of shopping into fewer and bigger centres. This section also covers questions the Council would like answers to; to assist it in the production of the new borough-wide Local Plan, Plan:MK.

**2** The importance of retailing and town centres to the local economy is often underestimated. As mentioned in the Employment and Economic Growth Topic Paper retailing employs more people than any other sector of the Milton Keynes economy, employing around 14,900 people or 10.3%, over one in ten of the workforce by numbers of employees in 2012. It is a very dynamic, competitive and innovative part of the economy with retailers constantly trying out new formats and concepts such as 'click and collect' enabling people to shop on line but collect, post free, from stores and other locations such as railway stations, which remain open in the evening. Additionally, a significant proportion of the 8,500 people who work in arts, entertainment recreation and other services (5.9% of all employees) and the

6,900 people who worked in accommodation and food services within the Borough in 2012 (4.8% of all employees) work in a 'town centre' location.



**3** Throughout this Topic Paper the term town centres is used to describe the regional shopping centre of Central Milton Keynes (CMK) and other district, town, local and village centres within the Borough. CMK is defined as the area between the West Coast main railway line and the Grand Union canal and between H5 Portway and H6 Childs Way. This area includes Campbell Park. In Central Milton Keynes the primary shopping area is defined in the Core Strategy as the area between Saxon Gate, Marlborough Gate, Avebury Boulevard and Silbury Boulevard. In retail planning terms this constitutes the 'centre' of the city centre.



4 Although the focus of this paper is on retailing, with retail floorspace defined as A1 shop use in the 1987 Town and Country Planning Order as amended. Other uses usually found in town centres include:

- A2 Financial and Professional service uses such as banks and building society offices and estate agents
- A3 Food and drink uses such as restaurants and cafés
- A4 Drinking establishments such as pubs and wine bars
- A5 Hot food takeaways.

5 Also of note are D2 Assembly and Leisure uses such as cinemas, concert halls, skating rinks and gyms which are often found in town centres.

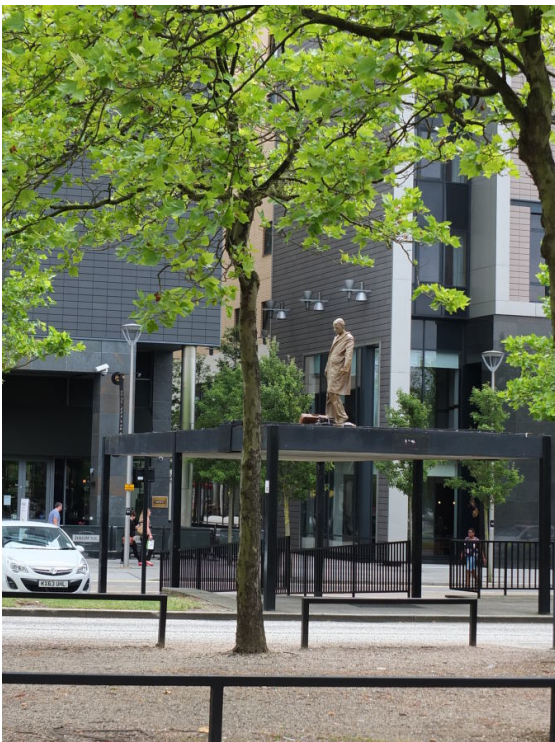
6 A distinction to retail floorspace is often made between convenience floorspace and comparison floorspace. Convenience floorspace refers to floorspace used for the sale of food and drink items and comparison floorspace refers to floorspace used for the sale of non-food items such as clothing, footwear and household goods see glossary for further details.



## Background

### Historical development of retailing in the city

**7** When Milton Keynes was designated as a New Town in 1967, the main centres for shopping were the existing centres of Bletchley, Wolverton and Stony Stratford. The Plan for Milton Keynes (The Milton Keynes Master Plan 1970) produced by the Milton Keynes Development Corporation aimed at providing a wide range of shops and to make them accessible in order to give residents maximum choice. This approach to retail provision combined concentration in Central Milton Keynes (CMK) as a shopping destination, and dispersal of local shops to be within 500 metres of most residents. Residential grid squares were constructed with a local centre with a variety and varying number of shop units often in association with other facilities such as a public house and meeting places. In some areas close to the city centre, provision was made only for corner shops.



**8** CMK was planned by the Milton Keynes Development Corporation as the city centre, a district centre for its immediate catchment and as a major centre attracting shoppers from within the Borough and a wide area beyond. Land was set aside for the expansion of retail facilities with the aim of broadening the range of shops to cater for future population and consumer growth and the further development of CMK as a major regional centre.



**9** The Central Milton Keynes Shopping Building (the centre:mk) opened in 1979 and was extended at its western end in the early 1990s, where Marks and Spencer is today. At over 100,000 sq. metres (1 million sq. feet) in about 140 shop units of varying sizes, the shopping building was briefly the largest purpose built shopping centre ever built in the UK. It is now a Grade II listed building. With the passage of time it is hard to appreciate just how revolutionary the shopping centre was when it opened, with its plentiful floorspace, large number of initially free car parking spaces and easy access for lorries to deliver to retailers, nothing quite like it had ever been seen before in the UK. It became very popular with shoppers and retailers alike. The CMK Food centre opened in March 1988 and Midsummer Place now into Milton Keynes was constructed later in 2000 broadening the range of comparison shopping facilities and food and drink offer within the city centre.

**10** Bletchley was the largest shopping centre in the city before the development of CMK. In the first ten years of the MK

Master Plan from 1970 to 1980, it was further developed along Queensway as the main town centre within the Borough while the new city centre was constructed on a greenfield site. But with the development of CMK, Bletchley has had to adapt to a secondary role within the city. The Plan for Milton Keynes (The Milton Keynes Master Plan 1970) refers to Stony Stratford requiring special attention to ensure that the very attractive visual qualities of the High Street are maintained and Wolverton requiring the development of new premises for retail and allied uses<sup>(1)</sup>.



**11** The district centres at Westcroft and Kingston were built to serve the needs of population in the western and eastern flanks of the city, combining superstores and large retail outlets with some local centre type uses (e.g. hairdressers, estate agents or a local library). Provision for the sale of bulky comparison goods in large retail warehouse units was concentrated in areas of the city such as CMK, Rooksley and Winterhill on the edge of CMK, and at Denbigh in Bletchley.

**12** Outside the city the only settlements with a significant number and range of shops are in Newport Pagnell, Olney and Woburn Sands. Many villages within the Borough have no general store and/or sub-post office. A long term trend in the Borough since the 1970s and 1980s has been a decline in the numbers of rural shops and sub-post offices together with other rural facilities such as public houses over time. The Rural Issues Topic Paper discusses rural shops and services in more detail.

**13** Town centres are more than just shopping destinations, for example CMK is also the principal leisure and entertainment centre within the city covering a wide catchment area with a vibrant night time economy of leisure and entertainment uses, clubs, bars and restaurants. Major leisure and entertainment buildings within CMK include:

- The Point which was the UK's first multiplex cinema when it opened in 1985.
- The Milton Keynes Theatre and Gallery which opened in 1999.
- Xscape a leisure , cinema and entertainment centre which opened in 2002 with one of the first indoor ski slopes in the UK, now with a casino and the associate Airkix indoor sky diving centre
- The Leisure Plaza site by Milton Keynes Central railway station. This site is currently being redeveloped and will feature a new ice rink.





**14** The MK Gallery has plans to expand and develop its facilities, which may include the provision of new cinema screens and restaurant facilities. The 'Culture, Recreation and Quality of Life' Topic paper discusses cultural and recreational issues and how the quality of life can be improved by providing cultural facilities, sports, heritage and public arts, the provision of which could help to enliven, animate and diversify town centres within the Borough.



## The Local Context

**15** In terms of shopping provision, the city of Milton Keynes is unlike most other urban areas in several important respects:

- The city has a planned hierarchy of shopping centres from the small local centres to a purpose built city centre;
- Milton Keynes has been able to accommodate new forms of retailing much more easily than a conventional town primarily due to the availability of developable land;
- All centres were originally planned to be accessible by a variety of means of transport, not just the private car.

**16** A characteristic feature of the development of the city has been for new convenience floorspace to be planned and provided as an integral feature in major new areas of housing development at locations easily accessible to residents.

## Policy Context

**17** The policy background for town centres and retail in Milton Keynes is set out in a number of documents, the most important of which are:

- The National Planning Policy Framework (NPPF)
- The Milton Keynes Core Strategy, adopted July 2013
- The Milton Keynes Local Plan, adopted December 2005



## National Policy

**18** The National Policy context for retailing and town centres is set out in the National Planning Policy Framework (NPPF).

**19** The NPPF establishes a presumption in favour of sustainable development. It says that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Key points are:

- The vitality and viability of town centres is to be supported. Ensure a diverse retail offer, deliver customer choice and reflect the individuality of the local area.
- Plans should define a network and hierarchy of centres that are resilient to future economic changes.
- The extent of town centres and primary and secondary shopping frontages should be defined and supported by relevant policies.
- Retain and enhance existing markets and, where appropriate, introduce new ones.
- Allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, cultural and residential development required in town centres. Local planning authorities should assess the need to expand town centres.
- Allocate edge of centre sites for main town centre uses where viable town centre sites are not available.
- Set policies for main town centre uses that cannot be accommodated in or adjacent to town centres.
- Recognise the role of residential development in the vitality of centres.
- Proposals for retail, office and leisure development outside town centres which are not in accordance with an up-to-date Local Plan may need to be the subject of an impact assessment if the development is larger than a locally set threshold.
- A sequential test should be applied to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up to date Local Plan.



**20** The sequential approach is intended to achieve two important policy objectives:

**21** First, the assumption underpinning the policy is that town centre sites (or failing that well connected edge of centre sites) are likely to be the most readily accessible locations by alternative means of transport and will be centrally placed to the catchments that established centres serve, thereby reducing the need to travel.

**22** The second, related objective is to seek to accommodate main town centre uses in locations where customers are able to undertake linked trips in order to provide for improved consumer choice and competition. In this way, the benefits of the new development will serve to reinforce the vitality and viability of the existing centre<sup>(2)</sup>.

## Planning Policy Guidance

**23** The Government have also published guidance on ensuring the viability of town centres in their Planning Practice Guidance<sup>(3)</sup>.



## Local Policy

### Milton Keynes Core Strategy

**24** The Milton Keynes Core Strategy is the principal spatial plan for the Borough of Milton Keynes. It provides the objectives and strategy for the development of the Borough and identifies the major area where growth and change will take place up to the year 2026.

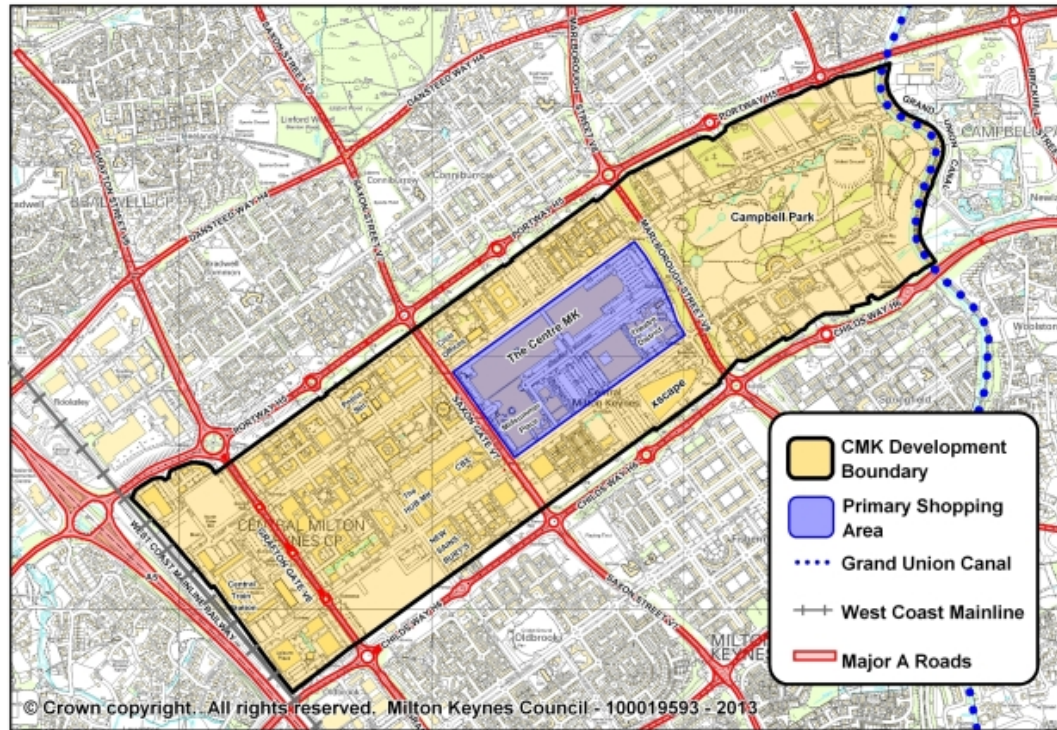
**25** The Core Strategy sets out the retail hierarchy for the Borough (Table 5.5), identifying the Primary Shopping Area in Central Milton Keynes as a regional shopping centre and then identifying a number of district centres (Bletchley, Wolverton, Westcroft and Kingston), town centres (Newport Pagnell, Olney, Stony Stratford and Woburn Sands) and village/local centres.

<sup>2</sup> Source: Planning for Town Centres, Practice guidance on need, impact and the sequential approach. DCLG December 2009, paragraph 6.2, p.35

<sup>3</sup> <http://planningguidance.planningportal.gov.uk/blog/guidance/ensuring-the-vitality-of-town-centres/ensuring-the-vitality-of-town-centres-guidance/>



**Figure 1 CMK Development Boundary and Primary Shopping Area**



**26** Policy CS4 Retail and Leisure Development, encourages additional retail, leisure, entertainment and cultural development within identified centres in the retail hierarchy:

- Regional Shopping Centre: The Primary Shopping Area in Central Milton Keynes will function and develop as a regional shopping centre for comparison shopping. CMK also serves as a local centre and caters for the daily convenience needs of the workforce and residents.
- The District Centres which cater for the weekly convenience shopping needs of their catchment populations include the traditional centres of Bletchley and Wolverton as well as the newer district centres of Kingston and Westcroft.
- Town centres include the longer established towns of Newport Pagnell, Olney, Stony Stratford and Woburn Sands. These function primarily as

local shopping destinations catering for daily or specialist shopping needs.

- Local and village centres, include the local centres in the grid squares across the city as well as the centres of rural villages. They provide convenience shopping and service facilities for the local population.

**27** Applications for retail and other main town centre uses outside of existing centres will only be permitted if they satisfy the NPPF's sequential and impact tests.

**28** Policy CS7 Central Milton Keynes - CMK has its own policy given its key role as a regional shopping centre. The policy aims to retain and enhance that regional role as well as CMK's focus for retail, office, hotel, leisure and cultural development in addition to new housing and related facilities. It also recognises that CMK is a modern and carefully planned city centre but it needs to continue to evolve and change. Core strategy policy CS7 has replaced strategic policy S5 in the Local Plan.

**29** The policy sets out a number of key objectives for CMK including the achievement of higher quality buildings; promotion of a range of travel options and the accommodation of the expansion needs of the tertiary Higher Education sector.



## Milton Keynes Local Plan

**30** The current Milton Keynes Local Plan was adopted in December 2005. The strategic objectives for CMK were set out in Policy S5 of the Local Plan, which seeks to set out a framework for achieving a livelier, varied, accessible and inclusive city centre.



**31** The Town Centres and Shopping chapter includes a range of policies whose objectives include:

- Maintaining and enhancing local and village facilities
- Maintaining the vitality of local centres
- To control the expansion of Kingston and Westcroft District Centres
- To define the role and improve the attractiveness of Olney, Woburn Sands, Stony Stratford, Newport Pagnell, Wolverton and Bletchley town centres.
- To promote regeneration in Bletchley and Wolverton town centres
- To protect the retailing function of the main shopping centres in the Borough
- To encourage more housing in town centres
- To define the main shopping area in Central Milton Keynes (CMK) and define the circumstances under which new retail development will be permitted.
- To set out principles for development in the various quarters of CMK
- To set out criteria for assessing all new major retail development in the Borough.

## Neighbourhood Plans

**32** Since the implementation of the Localism Act, 2011, there has been considerable interest in the preparation of Neighbourhood Plans from Parish and Town Councils across the Borough.

**33** Of those Neighbourhood Plans currently under preparation, a number are expected to impact to a greater or lesser extent on future policy regarding Town Centres and Retail. The following plans are relevant and have reached at least the draft plan stage:



## CMK Alliance Business Neighbourhood Plan

**34** The plan covers the whole of CMK including Campbell Park and its Vision is that by 2026, CMK will be the dynamic centre of one of the fastest growing regions in the South East.

**35** The Plan's Spatial and Design Strategy seeks:

- Flexibility of land uses and promotes mixed use.
- Improvements to the public realm, improving the pedestrian experience across the city centre.
- Retention and improvement of public spaces
- Diversification of the Primary Shopping Area with more independent traders; development of a covered market hall; expansion of community and cultural facilities.

**36** The Access, Transport and Parking Strategy in the Neighbourhood Plan acknowledges that good provision for cars remains a competitive advantage for CMK whilst still encouraging a switch to walking, cycling and public transport.



**37** A raft of policies seeks, amongst others, to:

- Protect CMK's 'classic infrastructure' and landscaping and open space
- Encourage mixed-use development throughout the city

- Enhance the pedestrian experience by requiring active ground floor frontages
- Protect existing movement corridors; improve safe, convenient and attractive access for pedestrians, cyclists and public transport users.

**38** At the time of writing this paper referendums on the Neighbourhood Plan had not yet occurred and the plan had not been 'made' by the Council. Once 'made' the plan becomes part of the Development Plan for CMK and planning applications are assessed against it.

## Woburn Sands Neighbourhood Plan

**39** The Woburn Sands Neighbourhood Plan was examined on 29nd January 2014, approved at a referendum held on the 22nd May 2014 and 'made' on 16th July 2014.

**40** Policy WS9 seeks to maintain the viability and vitality of the High Street, working with the local Business Association. In part, the policy seeks to do this by restricting new retail development outside of the High Street area.



## Wolverton Town Centre Neighbourhood Plan

**41** The revised consultation draft of the Wolverton Town Centre Neighbourhood Development Plan was produced in July 2014 and was consulted on in Summer 2014. The plan contains a supporting vision and objectives and delivery plans for a number of policies for the town centre including:



- Policy W1 - Redeveloping the Agora Shopping centre
- Policy W2 - General Town Centre Development
- Policy W3 - The Railway Works site
- Policy W4 - Town Centre Diversity - Ground Floor Uses
- Policy W5 - Supporting Street Markets
- Policy W6 - Supporting and promoting small, independent shops.
- Policy W7 - Shopfronts Design, Advertising and Security



### Other Neighbourhood Plans

**42** Other Neighbourhood Plans coming forward which potentially could have implications for Retail and Town Centre policies include:

- Stony Stratford
- Newport Pagnell
- Olney

**43** Additionally the Lakes Estate Neighbourhood Plan identifies a number of potential development opportunities on the estate which could include new or improved retail provision. Progress of these and other Neighbourhood Plans will be kept under review as work on Plan: MK progresses.

### CMK Primary Shopping Area Master Plan SPD



**44** This is a project which builds on the guidance contained within the adopted CMK Development Framework and policy within the draft CMK Alliance Business Neighbourhood Plan, which both call for Midsummer Boulevard East to become a significant public space within the Primary Shopping Area, making it far more pedestrian friendly, inviting and vibrant and animated, thereby increasing dwell time and therefore improving the economic, social and cultural performance and experience of CMK. This project will outline principles and actions/proposals to make this happen. An agreed outline Masterplan and associated principles will be included in a wider Supplementary Planning Document for the Primary Shopping Area expected to be adopted in April 2015.

## Retail Trends and Issues

**45** The economic downturn which began in the UK in 2008 and from which the country is emerging together with the rise of Internet shopping (more on this later) has meant that the retail environment has changed radically in the past five years. Milton Keynes has not been immune from its effects. Although a number of household name stores such as Jessops and Woolworth have closed, the recession has also led to the rise of discount retailers such as Aldi, Lidl and Poundland, which are proving to be formidable competitor's to other retail operators.



**46** Prior to the economic downturn as the Portas Review (2011) put it:

*'Over the past few decades we have enjoyed a boom in retail and property values, fuelled by easy credit and rising standards of living. Retailers seized the opportunity to widen their estate, opening look-a-like shops on every high street. This made casualties of the small independents who were progressively squeezed out, incapable of keeping up with the soaring costs of doing business and the sheer professionalism and polish of their larger rivals.'*

**47** Since the Milton Keynes Local Plan was adopted in 2005 the retail landscape in Milton Keynes has undergone a number of important changes.

## Impact of Denbigh North

**48** Around 56,000 sq.metres of A1 shopping floorspace has been developed at Denbigh North as enabling development to support the development of the MK Dons football stadium. Denbigh North includes large retail outlets such as Asda and Ikea and the MK1 Shopping Centre which opened in 2012 with comparison retailers such as Marks and Spencer, H&M and Primark. A cinema is planned to open there in the near future. The development of floorspace at this location has enabled the development of the stadium but it has absorbed retail expenditure, which would have been available to support the provision of retail floorspace elsewhere within the Borough.



## Outstanding Retail Commitments

**49** Although the downturn in the national economy may have slowed down the pace of economic activity across the UK, this has to some extent been offset by the continuing population growth of the city. The city continues to be an attractive location for retailers. New food stores, such as Waitrose at Oakgrove and Sainsbury's at Shenley Church End, have opened in the city and there has been a steady stream of planning applications for new food stores. Table 1 'Food store commitments in Milton Keynes' below identifies major food store commitments within the Borough including new food stores under construction.

**Table 1 Food store commitments in Milton Keynes**

Location	Planning Reference	Operator (where known)	Net floorspace (sq.m.)	Status/notes
Leisure Plaza, CMK	12/02440/ MMAM (amendments to 11/00251/FUL)	Morrison's	3,500	Under construction Part of a larger development scheme. Opening in 2015
Former Aston Martin site, Tickford Street, Newport Pagnell	10/01916/FUL	Tesco	1,879	Not yet started
Oakridge Park	12/02111/FUL	Unknown	1,394	Not yet started, revised application expected
Area 10 High Street, Western Expansion Area	11/01685/MKPCO S73 Application	Unknown	5,600	Not yet started. Largest element of 9,500 sq.m. In the WEA to serve a development of around 6,500 dwellings.
Wolverton	12/02551/FUL	Tesco	9,230	Permission not being implemented. Replacement of existing store of 4,273 sq.m. (net)

**50** The major comparison floorspace planning permission not yet implemented in the city is the outline planning permission for the redevelopment of the Point site in CMK for up to 19,500 sq.m of retail floorspace and other uses including leisure<sup>(4)</sup>.



## How much floorspace do we need in the future?

**51** Forecasts produced by Roger Tym & Partners for the Council in 2011 on the amount of convenience (food) and comparison (non-food) floorspace required in the Borough show a need for additional comparison floorspace in the future<sup>(5)</sup>. The retail capacity created at Denbigh North has been absorbed by the market and continuing population and expenditure growth within the Borough means in both scenarios used in the Milton Keynes Retail Capacity Update study, there is a sharp increase in the requirements for comparison floorspace of between 40,500 - 58,000 sq.m (gross) from 2016 to 2021.

**52** The consultants expect the majority of comparison floorspace to be developed within CMK (since this is the most attractive location for retail development within the

4 Planning reference number 13/01729/OUT

5 See Milton Keynes Retail Capacity update, August 2011



Borough and has a large amount of land available for development) but with some new floorspace development in other town centres. For convenience floorspace the study showed if all sites with planning permission were built there would be an oversupply of convenience floorspace until 2026. However, notwithstanding this finding by the consultants as pointed out earlier, the Council continues to receive planning applications for new food stores.

**53** The Council's adopted Core Strategy makes provision and plans for the delivery of additional retail floorspace in new areas of development such as the Strategic Land Allocation (SLA) in the period up to 2026. In planning up to 2031, the Council will need to undertake another retail capacity study to assess again how much retail floorspace it needs to provide in future and where that floorspace should be located. However, in order for that work to be effective the Council needs to plan for the provision of new housing development first; once it knows how many people it is planning for and where new housing development will be, it will know what provision to make for new shops and facilities to serve that development.



## The Impact of the Internet on Shopping

**54** Less than half of all UK retail spending now occurs on the high street<sup>(6)</sup> and around one in every seven shops (14%) is vacant<sup>(7)</sup>. A report from American research company Forrester suggests Britons are the world's biggest online buyers with sales over the web projected to increase 39% by 2018. Internet spending now accounts for about 10% of all retail sales in the UK with less than one in twenty people currently shopping for groceries on the Internet but the proportion is rising fast and is expected to reach one in ten by the end of the decade<sup>(8)</sup>. Another significant area of growth is retail sales over mobile handheld devices (m-commerce)<sup>(9)</sup>.

**55** Although the Internet accounts for around 10% of all retail sales one of its most important effects is that retailers now need far fewer shops in future to serve the UK market. As the Portas Review 2011 (p.9) suggested '*where retailers used to need 400 or 500 shops to cover the length and breadth of Britain with the sheer power of the internet they now need far less.*' Many retailers such as the Arcadia Group (whose brands include shops such as BHS, Dorothy Perkins, and Burtons) are responding to this trend by reducing the number of shops they operate as leases expire. One commentator has suggested that big retailers only need around 75 stores to cover the whole of the UK<sup>(10)</sup>.

**56** This process is leading retail to coalesce around a few large shopping centres, mostly in big city centres, which are gaining market share<sup>(11)</sup>. Shops in these centres are becoming 'brand ambassadors', with complementing websites. Retailers want big stores to showcase their full product offering, providing excellent customer service and be sufficiently

6 Source: The Portas Review  
7 Source: The Local Data Company, February 2014  
8 Source: Centre for Retail Research  
9 Source: The Portas Review  
10 Source: The Economist p.28, February 16th 2013  
11 Source: The Economist

appealing so that people will travel a long way to visit them. Examples of the newer larger shopping centres include the two Westfield shopping centres serving west and east London and the revamped Bullring shopping centre in Birmingham serving the West Midlands. These modern shopping centres are designed to integrate shopping with other uses (such as leisure and entertainment, restaurants and dining experiences) and provide plenty of things to do. More space is devoted to restaurants and to other leisure activities than in older shopping centres. This mix of uses and activities not only help to animate these centres and make visits to them more of an experience but they also help to increase consumer expenditure and 'dwell' time spent in the centre.



**57** If the UK retail market is polarising into fewer larger shopping centres there is no reason why the primary shopping area of CMK should not be developed to become one of these larger regional centres serving the shopping needs of the population in broadly the area between London and Birmingham and Oxford and Cambridge. CMK has a number of advantages. It is an established centre with good transport links and it has a large amount of land awaiting development. An emphasis and long term commitment to further development by the Council may give investors more confidence to invest and redevelop buildings within the city centre, which are no longer suitable or viable for present day needs. On the other hand if the city centre does not accommodate demand with the right size stores and evolve and adapt to take advantage of the opportunities that present themselves, it may decline, losing jobs and its attractiveness for shoppers and visitors.

### Question 1

#### Retail in Town Centres

- Should the Council focus on developing CMK as a regional shopping centre?
- What vision should we have for the city centre in the future and what type of shops, facilities and activities do we want to see within it?
- Should the public spaces (boulevards and other public areas between buildings) be improved from a pedestrian perspective so as to provide a better integrated offer to shoppers /consumers and thereby improve dwell time and consumer spend?

## Employment Densities

**Table 2 Employment Densities for Retail and Hotel Uses**

Use Type and Use Class <sup>(12)</sup>	Amount of floorspace per full-time equivalent employee in sq.m., net internal area or per bedroom
A1 High Street	19
A1 Food Superstores	17
A1 Retail Warehouses/ Other Superstores	90
A2 Financial and Professional Services	16
A3 Restaurants and Cafes	18
C1 Budget Hotels	1 employee per 3 bedrooms
C1 General Hotel (3 Star)	1 employee per 2 bedrooms
C1 4/5 Star Hotel	1 employee per 1.25 bedrooms

**58** Employment density is a measure of the average amount of floorspace in square metres per fulltime equivalent employee in an occupied building. It is therefore a measure of how much space each person occupies within the workplace and can be used to estimate the number of jobs generated by a development proposal. As illustrated in Table 2 'Employment Densities for Retail and Hotel Uses' above there are major differences in the amount of floorspace per person for different types of activities.

**59** For example a high street shop has around 19 sq.m per employee, a food superstore 17 sq.m per employee and A2 financial and professional services such as banks and building society offices around 16 sq.m per employee. By contrast a retail warehouse averages around 90 sq.m per employee.

**60** Table 2 'Employment Densities for Retail and Hotel Uses' also illustrates that main town centre uses such as hotels (a number of which will be developed within the Borough in future because of growing demand) are very labour intensive and generate a significant number of jobs. A budget hotel employs 1 employee for every three bedrooms and a 4/5 star hotel employs 1 employee for every one and a quarter bedrooms.



<sup>12</sup> Source: Employment Densities Guide, 2nd Edition, 2010 for Homes and Communities Agency by Drivers Jonas Deloitte



### Other trends

**61** Despite Government planning policy in the past decade encouraging development within town centres for the benefits and reasons explained earlier in this paper, the amount of out-of-town retail floorspace has risen by 30% whilst in-town floorspace has fallen by 14%<sup>(13)</sup>. Within the Borough the most recent figures available from the Council's Annual Monitoring Report for 2011 show that the majority of all shopping floorspace completions were developed outside the Council's town centres. For example of the 3056 sq.m of A1 shopping floorspace completed within the Borough in the monitoring year 2011/12 only 470 sq.m or 15.4% of the total amount of floorspace was completed within a town centre location. However, this is an improvement on the previous year when only 314 sq.m of shopping floorspace or 13.4% of the total amount of 2349 sq.m completed in the monitoring year was completed within a town centre.



**62** There has also been a change in shopping patterns people are shopping less frequently in large superstores but more frequently in smaller convenience stores. This has meant that several retailers are abandoning plans to develop new superstores in favour of the provision of smaller convenience stores. Locally, Tesco's have abandoned plans to develop a new superstore in Wolverton preferring

to develop new Tesco Express convenience stores around the country and improve their Internet shopping offer.



**63** The Council's retail policies are currently found in the Core Strategy and the saved policies of the adopted Local Plan.

### Question 2

#### Town Centre Policies

What retail policies need to be retained, amended or what new retail policies do we need in the future in Plan: MK to manage the growth and development of our town centres?

**64** The Core Strategy sets out the retail hierarchy for the Borough, identifying the Primary Shopping Area in Central Milton Keynes as a regional shopping centre and then identifying a number of district centres (Bletchley, Wolverton, Westcroft and Kingston), town centres (Newport Pagnell, Olney, Stony Stratford and Woburn Sands) and village/local centres.

13 Source: Department for Business Innovation and Skills /Genecon and Partners (2011) Understanding High Street Performance mentioned in the Portas Review.

## Question 3

### Retail Hierarchy

- Does the retail hierarchy within the Borough need to change?
- Are there any centres whose role has changed since the last review of the retail hierarchy, whose position within the retail hierarchy needs to reflect this change?

### Regeneration of Older Town Centres

**65** The Council has long standing aspirations to regenerate Bletchley and Wolverton town centres as articulated in the Local Plan and Core Strategy. However, there is a perception that, for the most part, these well intended policies have not been implemented. Council policies to encourage town centre regeneration have had little impact partly because this process has been dependent on partners such as developers rather than being Council-led and partly because of the slowdown in economic activity caused by the recession. Town centre regeneration is a difficult and lengthy process spreading over many years particularly if parcels of land in multiple land ownerships needs to be assembled to enable development to happen or if development cannot occur until necessary infrastructure is provided. The process will require dedicated resources from MKC.

**66** There are a number of regeneration interventions under way in these centres including;

- The Bletchley 'Fixing the Links' project about improving linkages between Bletchley railway station and the town centre, which has received funding from the Government

- The reopening of East-West Rail services through Bletchley in 2019.
- The possible redevelopment of the Agora site and regeneration of Wolverton town centre, which are key elements of the emerging Wolverton Town Centre Neighbourhood Plan.

**67** These projects represent an opportunity for the Council to become more proactive in the regeneration of these two centres. Regeneration ties in with the question about the balance between greenfield or brownfield land in the Development Strategy Topic Paper as redeveloping or reusing underutilised or vacant land and buildings in town centres helps to reduce pressure for greenfield site development.



### Question 4

#### Town Centre Regeneration

Should the Council be more proactive in supporting and facilitating town centre regeneration initiatives in Bletchley and Wolverton?

**68** There may be some individual shop units or centres within the Borough, which may no longer be viable or suitable for retail and associated purposes. Although a change of use from a shop to residential use can occur as permitted development, subject to certain requirements being met. If reuse of buildings is not a viable option, then redevelopment of the buildings and possibly the entire centre may be required. Alternatively, if a centre is in decline how should the Council manage this decline, are there some shop units or services which the local community would like the Council to make every effort to retain, for example a general convenience store or a pharmacy, doctors, dentists etc?



### Question 5

#### Town Centre Decline

- Are there any centres in the Borough, which are in decline where redevelopment may be necessary?
- How should the Council manage the decline of a centre?

**69** Planning permission is required from the Council for some changes of use for example a change of use from a shop unit (an A1 use) to another use such as hot food takeaway (an A5 use) but no planning permission is required for some changes of use from a bank (an A2 use) to a shop A1 use. The Council does not have the powers through the planning system to prevent one hot food takeaway operator taking over the premises of another hot food takeaway operator or one shop keeper operating from another shop because no change of use is involved. The Council has received representations from a number of organisations and elected members that they perceive that the balance between retail and non-retail uses in town centres has gone too far and non-retail uses are becoming too dominant affecting the viability of those centres. These concerns focus around betting shops, pay day lenders and hot food takeaways, which can attract anti-social behaviour as they are open late in the evening or early in the morning. Another related point is that schools are often located adjacent to local centres where hot food takeaways are found. With concerns about childhood obesity and promoting health and well-being in mind, hot food takeaways could be discouraged on sites and in local centres adjacent to schools.

### Question 6

#### Restricting Uses

- Should certain types of uses be restricted in some centres because they are becoming too dominant and/or undermining the vitality and viability of those centres or because of some other reason?
- Should hot food takeaways be located away from schools or not granted in local centres close to a school?



**70** The city was planned so that most residents would be within a short walking distance (500 metres) of a local centre, which helps to minimise car-dependency and encourage alternatives to the car such as walking and cycling. Most grid squares within the city have a local centre to meet the daily and 'top-up' shopping needs of the local population. They include new purpose built centres ranging from individual shop units to larger centres containing 15 to 20 units and smaller older centres in the original settlements incorporated into the city.



## Question 7

### Provision of Local Convenience Stores

Should the Council still encourage the provision of a local convenience store in close proximity to most new residential development?

**71** There have been examples of developers proposing superstores, large foodstores above 2500 sq.m gross in local centres (the fourth tier of the retail hierarchy from the Core Strategy Policy CS4) which are far bigger than is necessary to support their resident populations with regard to their daily convenience shopping needs. If developed these proposals would harm the viability of neighbouring centres by drawing shoppers away from existing facilities and undermine the retail hierarchy. Should the Council restrict the size of a foodstore permitted within a local

centre? If a restriction is placed on the size of foodstore permitted within a local centre, should there be a maximum limit on the size of foodstore within the centre? Alternatively, would it be appropriate to allow for a different size of foodstore, to reflect local circumstances, for example, the size of population to be served within the existing grid square and/or neighbouring grid squares or the number of shops to be provided within a new residential development. It may also be necessary to impose restrictions on the amalgamation of shop units into larger units.

## Question 8

### Restricting food store sizes

Should the Council restrict the size of a food store permitted in an existing and proposed local centre and what size should they be?

**72** The Government advises (NPPF paragraph 26) that when assessing planning applications for retail, office and leisure development outside town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment to assess the impact of the proposal and its effects on other properties.



**73** The Core Strategy already has a threshold of 1000 sq.m for assessing office development proposals outside CMK. The Local Plan uses a threshold of 2,500 sq.m for assessing retail proposals but in exceptional cases the Council may request applicants to submit impact studies for smaller proposals where there is concern that the incremental or cumulative effects of small -scale extensions to existing shops might adversely affect a nearby centre. Should the Council lower the threshold for when a retail impact assessment is required to 1000 sq.m? The Council wishes to reserve the right to request a retail impact assessment on a lower floorspace figure in exceptional cases where there is a concern the proposal might adversely affect a nearby centre.

### Question 9

#### Retail Impact Assessment

Should the threshold for a retail impact assessment (to assess retail planning proposals) be lowered from its current 2500 sq.m figure to 1000 sq.m?



**74** Although this Topic paper has covered a wide range of issues, there may be other issues relating to town centres and retailing that the public or organisations want to comment on. In some cases those issues for example parking may be covered in other

Council Topic papers. If there are any other issues you would like to comment on please let the Council know.

### Question 10

#### Other issues

Are there any other issues related to town centres and retailing that need to be addressed?



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11. Milton Keynes Council Planning and Economic Development Annual Monitoring Report 2011-2012, December 2012 & Milton Keynes Local Development Framework Annual Monitoring Report 2010-2011, December 2011
12. Milton Keynes Retail Capacity update, August 2011

Copies of the Council's Annual Monitoring Reports and Milton Keynes Retail Capacity update are available on the Internet.



## Glossary

**Convenience shopping:** Convenience retailing is the provision of everyday essential items including food and drink, newspapers/magazines and confectionary.

**Comparison shopping:** Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.

**Edge of centre:** For retail purposes, a location that is well connected and up to 300 metres of the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge of centre, account should be taken of local circumstances. (Source NPPF)

**Main town centre uses** include retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

**Out of centre:** A location which is not in or on the edge of a centre but not necessarily outside the urban area. (Source NPPF)

**Out of town:** A location out of centre that is outside the existing urban area. (Source NPPF)

**Primary Shopping Area:** Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontages). (Source NPPF) In Central Milton Keynes (CMK) the primary shopping area is defined as the area between Saxon Gate, Marlborough Gate Avebury Boulevard and Silbury Boulevard. In retail planning terms this constitutes the 'centre' of the city centre.

**Retail Warehouses:** Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods) DIY items and other ranges of goods, catering mainly for car-borne customers

**Supermarkets:** Self-service stores selling mainly food, with a trading floorspace of less than 2,500 square metres, often with car parking

**Superstores:** Self-service stores selling mainly food or food and non-food goods usually with more than 2,500 square metres trading floorspace with supporting car parking.

**Town centre:** Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres. (Source NPPF)

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