Results from the Local Planning Authority survey on retail planning issues

Introduction

1. This paper reports the results of the CC's survey of Local Planning Authorities (LPAs) on issues related to retail planning. The purpose of the survey was to gain a greater understanding of how the planning process for grocery retail development works at a local level and how planning decisions are made.

2. The survey was conducted in late 2006 by way of a web-based questionnaire that was sent to all English, Welsh and Scottish Local Planning Authorities (LPAs), together with the Northern Ireland Planning Service and 11 National Parks.

3. The questionnaire was in two parts. Part one asked for information about the planning process and the factors considered by the LPA when assessing grocery planning applications. Part two asked the LPA to provide specific details of each grocery planning application that had been considered since 2000. The final version of the questionnaire took into account comments on its content from both an LPA and a number of grocery retailers.

4. The preliminary results to part one of the questionnaire, based on 80 responses that had been received by 22 December 2006, were presented as an annex to the planning working paper that accompanied our Emerging Thinking. The questionnaire was closed at the end of January, by which time we had received 106 responses to part one and 54 responses to part two of the questionnaire.[1]

5. This report updates the analysis presented in the planning working paper that was released in January 2007, summarizing all the responses received to both parts of the questionnaire.

Part one survey results

Response rate

6. The responses received to part one are summarized in Table 1.[2] 101 out of 409 authorities responded and five out of the 11 national parks. 66 were from urban and 40 from rural areas[3] which together represent approximately 28 per cent of the UK population (including 34 per cent of the urban population and 17 per cent of the rural population). In the charts that follow aggregate figures for urban and rural areas are

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[1]Due to varying response rates for individual questions, the charts below show the sample size for the response to each question.

[2]Five national parks also responded that are not included in the numbers in table 1.

[3]For England the Local Authorities that responded to the survey were split into urban and rural authorities using definitions from the Department for Environment, Food and Rural Affairs. As many statistics are available only at local authority level, there is a need for DEFRA to be able to categorize each authority in England and Wales according to its degree of rurality. The original classification places each authority in a spectrum of 6 definitions:

1. Major Urban;
2. Large Urban;
3. Other Urban;
4. Significant Rural
5. S-50 (where 50-80% live in rural areas); and
6. S-80 (where at least 80% live in rural areas).

For our purposes, 1–3 were classified as urban, with 4–6 classified as rural. Scottish and Welsh authorities were classified from analysis performed by Daniel Vickers, Phil Rees and Mark Birkin from Leeds University, based on 2001 census information, available on www.geog.leeds.ac.uk/wpapers/03-3.pdf.

Note all the charts below include the responses from the five national park authorities, and where the split between urban and rural areas is shown, the rural responses include the national park responses shown except where the responses were clearly different between urban and rural areas, in which case the differences are also discussed.

TABLE 1 **Response rate by region—part 1**

By authority type

	Replies	*GB total*	*% reply*
London Borough	11	33	33
Metropolitan Borough	14	36	39
Non-Metropolitan Borough	47	239	20
Unitary- England	18	46	39
Unitary- Wales	8	22	36
Unitary- Scotland	2	32	6
Northern Ireland	1	1	100
Total	101	409	25

By English local government region

	Replies	*Districts in region*	*% reply*
South-East England	24	66	36
South-West England	7	45	16
Greater London	11	33	33
East of England	12	50	24
East Midlands	6	42	14
West Midlands	6	34	18
North-West England	15	43	35
Yorkshire & Humber	4	21	19
North-East England	5	23	26
Total	90	357	25

Source: CC survey.

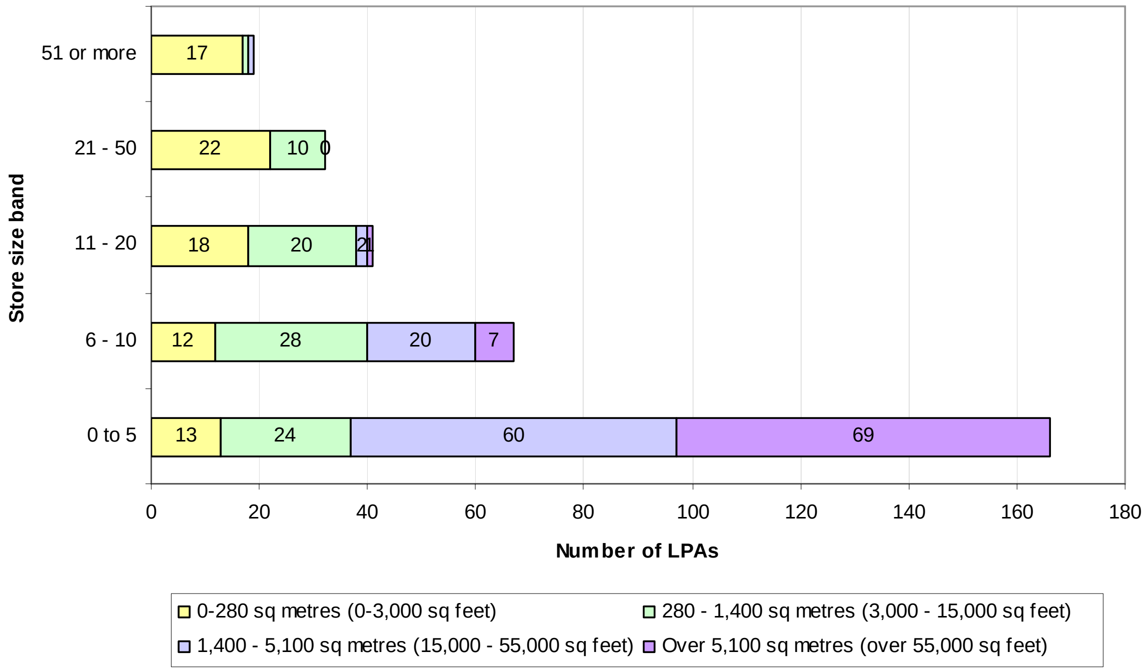
Number of stores

7. The LPAs were asked how many stores they have in different size ranges in their area. The results are shown in Figure 1, which shows the number of grocery stores in each LPA by size band.[4] It shows that most LPAs have only a small number of large stores in their area, with the majority of LPAs only having between zero and five stores in both the 1,400 to 5,100 sq metre and over 5,100 sq metre size bands. This indicates that most LPAs are likely to receive relatively fewer planning applications for larger grocery stores than for smaller ones.

[4]For example, if an LPA had 12 stores of less than 280 sq metres and 3 stores of 280-1,400 sq metres it would count once in the 11-20 range with a yellow bar and once in the 0-5 range with a green bar

FIGURE 1

Number of grocery stores (by size band) in each LPA area



Source: CC survey.
Note: Total responses 325 (up to 4 responses per LPA).

Benefits to local areas of grocery retailers

8. Three questions were asked to identify whether LPAs considered that there were positive benefits to having large grocery retailers in their area. The responses are summarized in Figure 2 and suggest that LPAs are generally positive, with over half strongly or somewhat agreeing[5] that the retailers make an area more attractive to other businesses and 83 per cent strongly or somewhat agreeing that the retailers can be important to anchor a new development or regeneration scheme. However, only 37 per cent of LPAs strongly or somewhat agreed that the retailers brought benefits to residents in the area.

9. There was a clear difference in the responses between the urban and rural LPAs in their views over the potential for grocery retailers to anchor regeneration schemes. This is seen as a more significant benefit in urban than in rural areas, with 91 per cent of urban areas agreeing that grocery retailers can be important to anchor a new development or regeneration scheme, compared to 70 per cent for rural areas.

> **Planning authorities may or may not consider that developments by the 4 largest grocery retailers (ie Tesco, Asda, Sainsbury and Morrisons) benefit their area compared with smaller retailers. To what extent do you agree or disagree that developments by these large grocery retailers**
>
> *(a)* bring benefits to your residents

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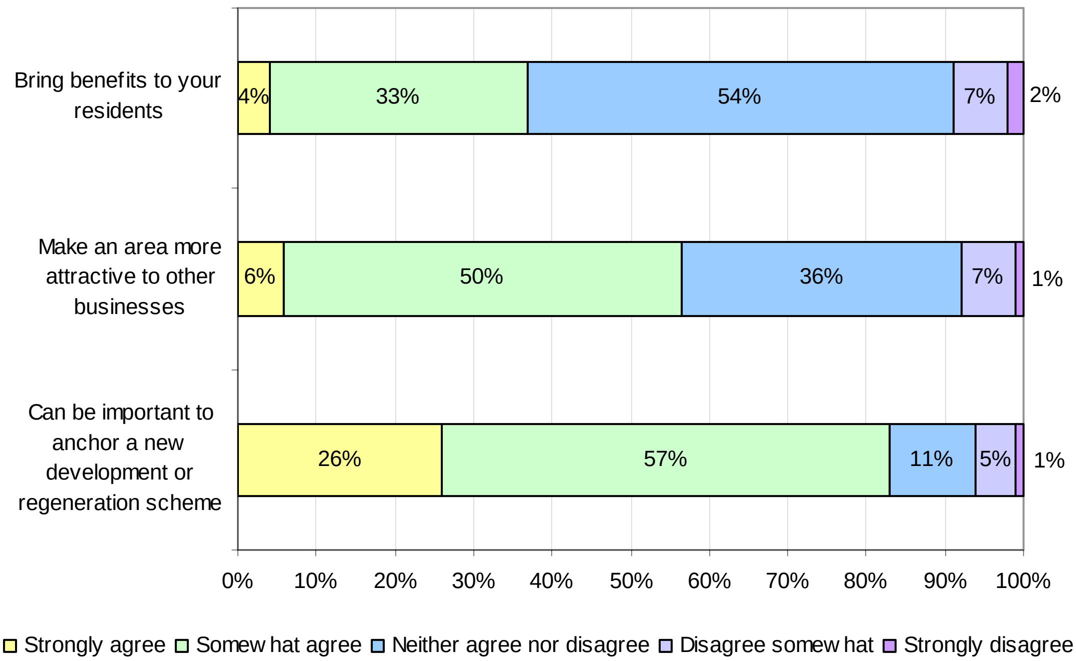
[5]Note that in the rest of this document we will refer to those somewhat or strongly agreeing as agreeing and somewhat or strongly disagreeing as disagreeing.

(b) make an area more attractive to other businesses

(c) can be important to anchor a new development or regeneration scheme

FIGURE 2

Benefits to local areas of grocery retailers



Source: CC survey.
Note: Sample size 100.

Grocery retailing and development plans

10. Two questions were asked to identify how many LPAs have identified the amount of space that will be required in their area for grocery retailing and the extent that grocery retailers are involved in the preparation of the development plan for the LPA region. Comments were sought to identify how the grocery retailers were involved.

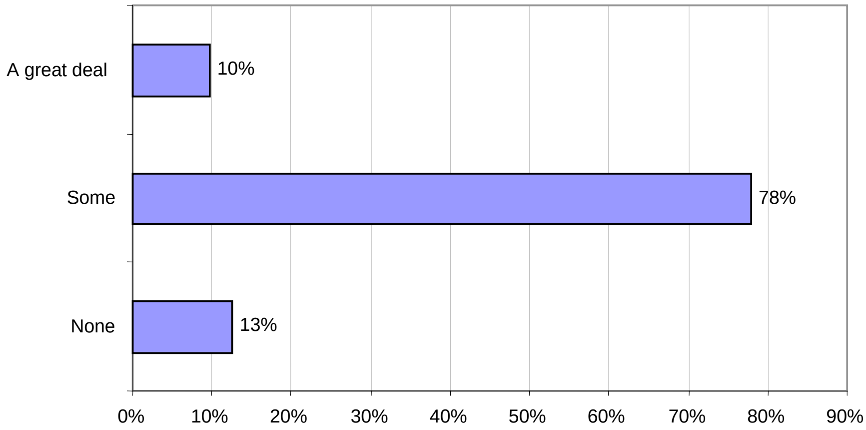
11. The majority of LPAs have not formally identified the amount of space that will be required for grocery retailing (40 per cent have done this). A similar proportion of LPAs (but not necessarily the same LPAs) (around 43 per cent) have conducted a survey to identify the number of suitable sites for retailing.

12. LPAs were asked to what extent grocery retailers were involved in the formulation of the development plan. The results are shown in Figure 3 and a sample of comments are provided below..[6] The majority of LPAs invite comment from retailers at all points in the formation of the local development plan. This is seen to be a natural part of the process of plan development.

[6]Where comments are included in this and subsequent parts of the report they are most of the comments we received, however we did not include all comments where there was significant repetition.

FIGURE 3

'To what extent (if any) do grocery retailers have an involvement in the development of the development plan?'



Source: CC survey.
Note: Sample size 104.

13. Comments made included:

Where 'A great deal' was chosen:

- 'Generally, the main grocery retailers provide representations (usually through planning consultants) on draft policies at all stages in the consultation process.'
- 'All stages of the plan making process.'
- 'Issues paper, Draft Plan, Independent Examination—all who make representations to the Draft Plan are invited to take part.'

Where 'Some' was chosen:

- 'In the old plan they were involved particularly at the Inquiry stage. In the LDF system they will be involved at all key stages.'
- 'All stages including strategy, policies and site specifics.'
- 'They can make representations during all stages involving consultation.'
- 'They were consulted throughout the Development Plan process.'
- 'Research, issues and options, site specific policies.'
- 'All stages. UDP documentation sent to key stakeholders. Once they have made a representation they would automatically be contacted for the subsequent stages.'
- 'Agents of some of the grocery retailers responded as part of the Issues and Options consultation.'
- 'Consultation open to all who which to contribute.'

- ‘Several made representations at draft stage and presented evidence at the public Inquiry 2003-04.’

- ‘New LDF Process invites interested parties to contribute at ALL stages.’

- ‘In respect of the Core Strategy preparation, we are aware that some of the larger grocery retailers are being represented by agents in the consultation process.’

Where ‘None’ was chosen:

- ‘Consultation period, inquiry.’

- ‘We are currently in the process of producing a new plan but have yet to consult. We do have agents employed by major retailers on our consultation database.’

- ‘Only at planning application stage—if at all—usually go through agents or developers.’

Planning applications from retailers and the development plan

14. LPAs were asked what proportion of planning applications were made in accordance with the development plan. The results are shown in Figure 4 and suggest:

- Many planning applications are not made in accordance with a local development plan. (Part *(a)* below shows that around one-third of LPAs believe that fewer than 10 per cent of applications are made in accordance with the development plan).

- There is limited consultation between developers and LPAs prior to an application being made. (Part *(c)* shows that 29 per cent of LPAs believe fewer than 10 per cent of applications are made after extensive discussions, but part *(d)* shows that there is usually some consultation between the developer and the LPA.)

- 55 per cent of LPAs say fewer than 10 per cent of applications are made in response to the LPA having made known a need (see part *(b)* below).

What are the proportions of planning applications for a grocery retail development?

(a) Made by developer only if in accordance with the development plan

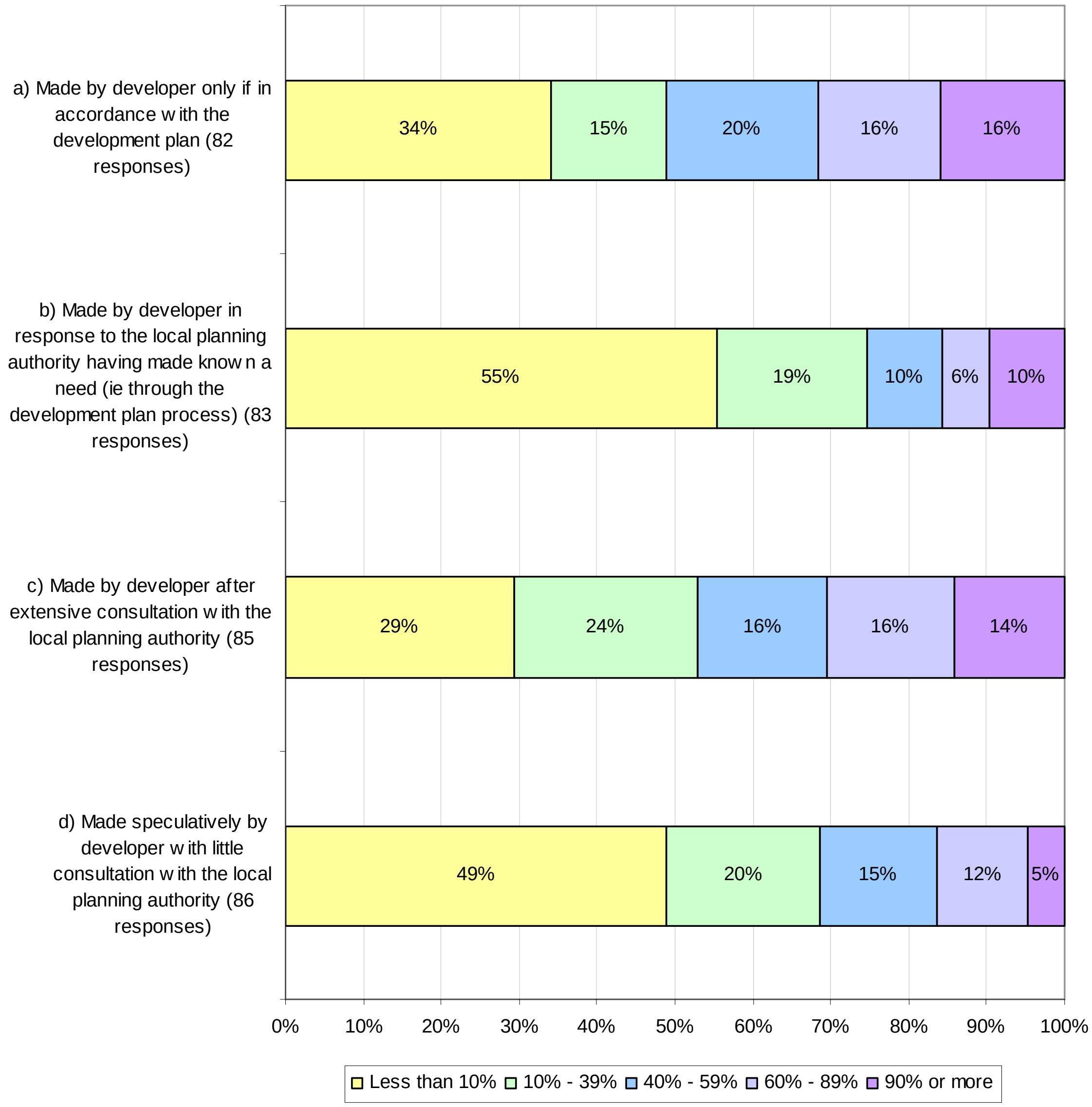
(b) Made by developer in response to the local planning authority having made known a need (ie through the development plan process)

(c) Made by developer after extensive consultation with the local planning authority

(d) Made speculatively by developer with little consultation with the local planning authority

FIGURE 4

Proportions of planning applications for grocery retailer developments



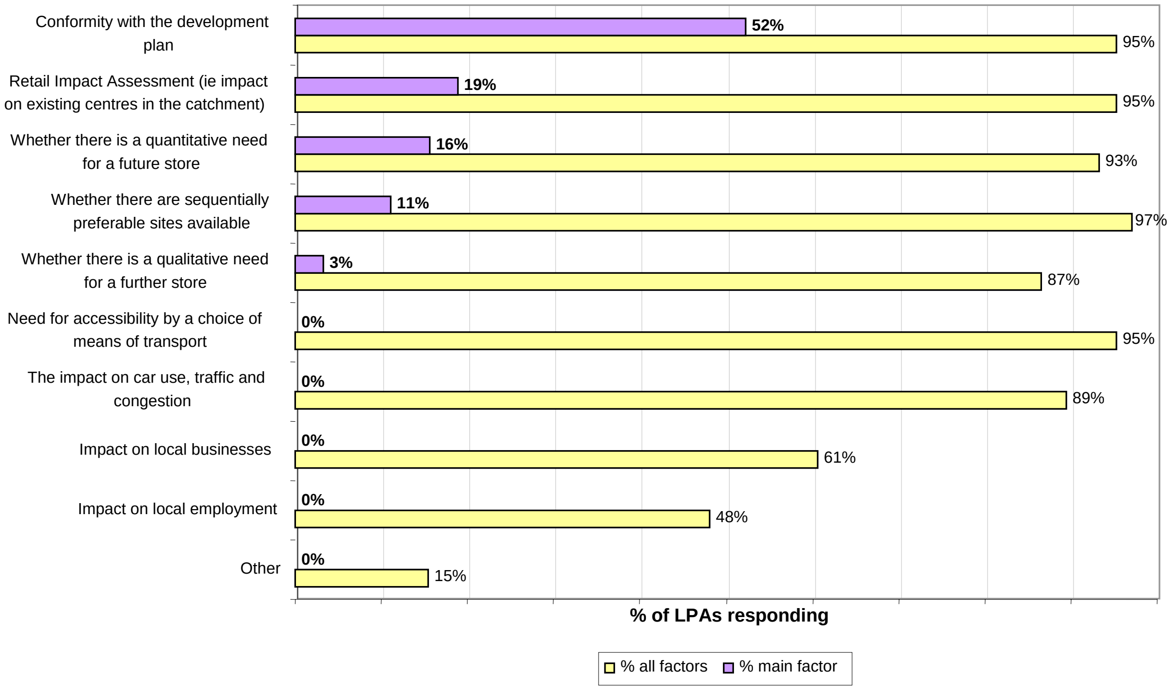
Source: CC survey.

Key factors in determining applications

15. The LPAs were asked to indicate what they considered were the main factors they used to determine planning applications for grocery stores. The results are set out in Figure 5. Most of the criteria listed as options in this question were considered by the LPAs as key factors in determining applications. (A number of the city authorities also mentioned regeneration potential as an important factor). When asked to focus on the main factor, the LPAs chose the criteria outlined in PPS6 (see paragraph 9 in the planning working paper) with over half considering conformity with the development plan as the main factor. The emphasis on the development plan varied between urban and rural LPAs. 60 per cent of urban LPAs highlighted conformity with the development plan as the main factor) compared to 39 per cent of rural LPAs.

FIGURE 5

'What are currently the key factors for your Authority in determining planning applications for grocery stores?'



Source: CC survey.
Note: Sample size 103 all criteria, 90 most important.

16. Where the authority had mentioned other criteria, these included:

- 'Although impact on individual businesses is not taken into account, the cumulative impact on businesses, where it affects the overall viability and vitality of the town centre, is a relevant consideration. The need test, retail impact assessment and sequential test are not material planning considerations for most town centre developments where the development plan supports retail development.'

- 'Impact on local employment is a consideration but overall the other factors have greater weight in decision making given the key factor of retail impact assessment.'

- 'Impact on local businesses and employment is considered in the sense that allocated employment sites would be protected from retail development. The effect on residential amenity, floor space and the proportion of comparison goods are also considered. The development plan does use all the above criteria to guide planning decisions.'

- 'It's difficult to commit to the above as each application will be assessed on its individual merits against the development plan. Therefore the weight of all the other criteria above may or may not add to the determination of the planning application and will depend very much on the individual merits of the proposal.'

- 'Design, drainage, residential amenity, archaeology, provision of community facilities, parking, crime and security, visual impact, waste management.'

- 'Quality of design and positive contribution to creating a sense of place are becoming increasingly important, extending choice, competition and value for local consumers, and overall environmental impacts (eg noise, air quality, smell, energy consumption/carbon emissions, effects of construction).’

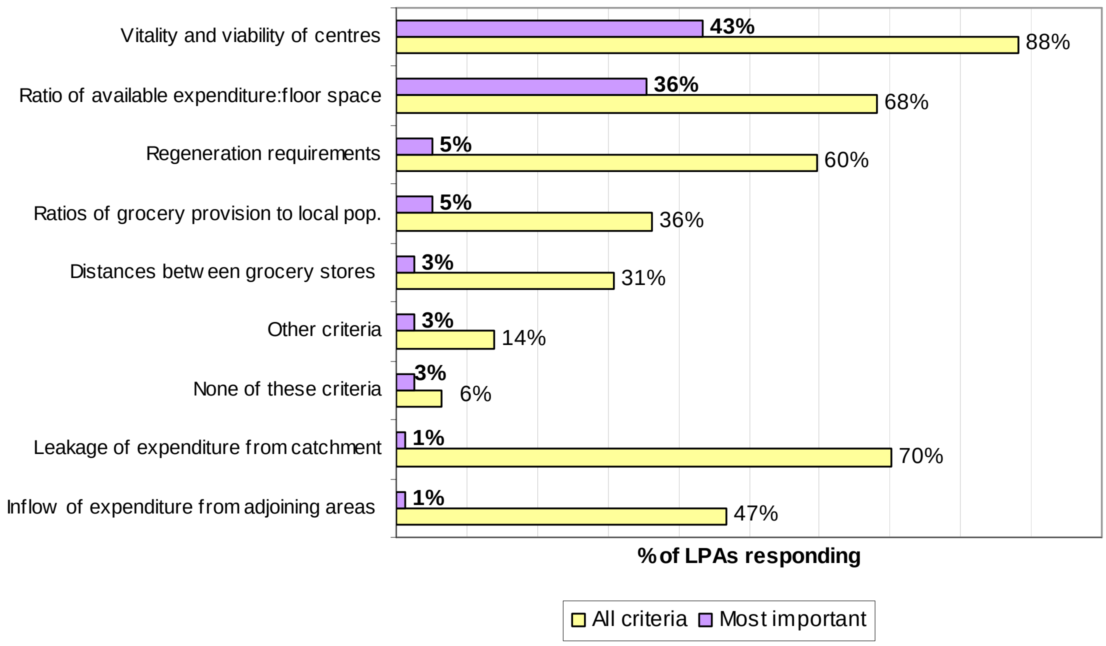
- ‘Regeneration benefits, effect on historic environment, flood risk.’
- ‘Effect on regeneration (both negative and positive—negative is where a store may draw activity away from a regeneration area).’
- ‘Impact on vitality and viability of centres.’
- ‘Most important factor is conformity with development plan, although this covers also the other criteria above.’

Criteria used to assess need

17. The LPAs were asked to identify what were the main indicators they use to assess the need for additional grocery stores in the development plan. The results are set out in Figure 6. A range of criteria are considered, but when asked to identify the most important the LPAs focus on the vitality of the centre and the quantitative assessment of need.

FIGURE 6

‘What are the main indicators used by your Authority to assess the need for additional grocery stores in the development plan?’



Source: CC survey.
Note: Sample size 94 all criteria, 76 most important.

18. Where the LPA had mentioned other criteria, these included:

- ‘Retail Study and update (2003 and 2005) which determined need by comparing forecast spending with distribution of grocery outlets in different parts of the city.’

- ‘A quantitative assessment of capacity to support additional floorspace was undertaken.’

- ‘Proximity to high walk-in catchment populations (high-density residential or working populations, especially in areas of low car ownership), location within areas of planned population growth, proximity to major public transport routes and nodes.’

- ‘Use existing and projected population estimates and expenditure per head data, calculate current levels of market share, apply constant or changed levels of market share and trade inflow, to assess the available expenditure on both convenience and comparison goods. Compare forecast levels of available expenditure with existing turnover estimates based on national turnover and translate this into floorspace requirements through the application of average turnover floorspace ratios.’

- ‘Sustainability—transport and traffic impacts of existing and proposed food retailing.’

- ‘Retail capacity (ie difference between floorspace turnover and expenditure) is key indicator. Current SP indicates oversupply of convenience retail floorspace, therefore the local plan does not identify any requirement for grocery shopping.’

- ‘Location of areas of major housing growth.’

- ‘There is mostly no distinction between forms of retail provision in planning policies, other than some separation between convenience and comparison goods. Policies aim to concentrate retail units in existing centres unless they are for bulky non-food items.’

- ‘Sphere of influence of stores.’

- ‘Detailed retail study carried out by consultants including surveys of household expenditure.’

- ‘Town Centre, District Centre then Local Centre hierarchy. Reducing the need to travel by ensuring grocery stores are well distributed.’

- ‘Town Centre Health Checks. Assessment of market demand. Convenience goods retail capacity assessment.’

- ‘Our Retail and Town Centre Uses Study 2004.’

- ‘Qualitative deficiencies in existing provision.’

- ‘Identified local need and capacity within the borough through a comprehensive Retail Capacity Study’.

Retail assessments

19. A number of questions were asked to identify how retail assessments submitted with a planning assessment were assessed, including whether the LPAs commission their own retail assessments following a planning application. Responses were mixed on whether LPAs commission a retail assessment, and on whether LPAs had adequate resources to commission a retail assessment that would add to that provided by the

retailer. Most LPAs (67 per cent) agreed that they would use a consultant to review a submitted retail assessment (see Figure 7).

Planning authorities may or may not commission retail assessments when a grocery retailer (or property developer acting on the retailer's behalf) has done this already. To what extent do you agree or disagree with the following statements?

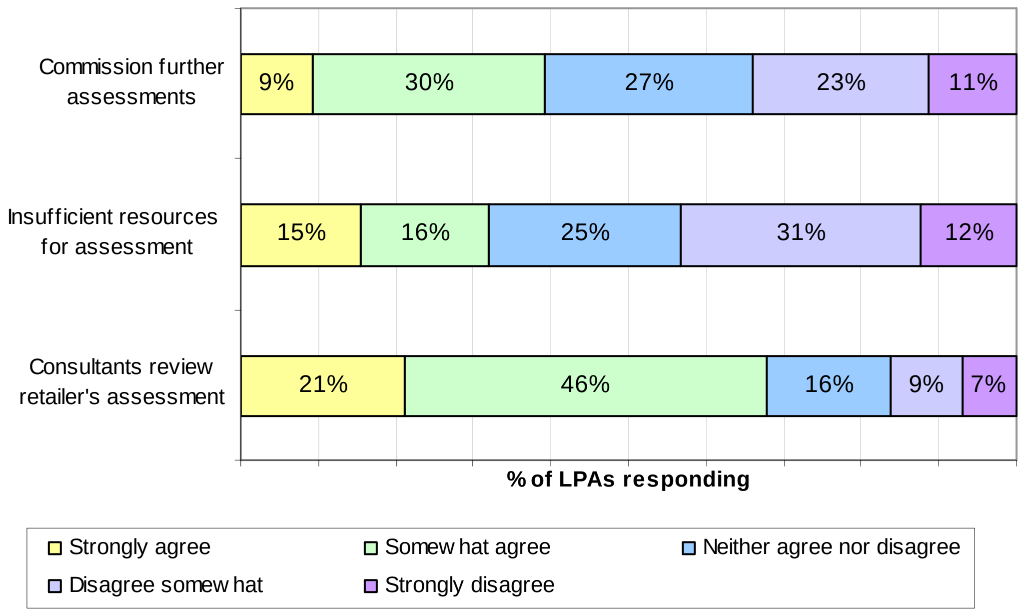
(a) We commission further retail assessments when a grocery retailer has done this already

(b) The LPA has insufficient resources to commission a retail assessment that will add to that provided by the retailer

(c) We instruct consultants to review the submitted retail assessment rather than commissioning our own

FIGURE 7

Retail assessments



Source: CC survey.
Note: Sample size (a) 97, (b) 97, (c) 99.

The importance of competition in assessing applications

20. Three questions were asked about whether competition is taken into account by the LPA in determining planning applications. The responses are shown in Figure 8. 45 per cent of LPAs agree that they generally consider the choice of grocery retailers available when reviewing planning applications and slightly more (50 per cent) feel they should consider the choice of grocery retailers available. 40 per cent however agree that the planning system can reduce the choice of grocery retailers in an area.

21. Responses:

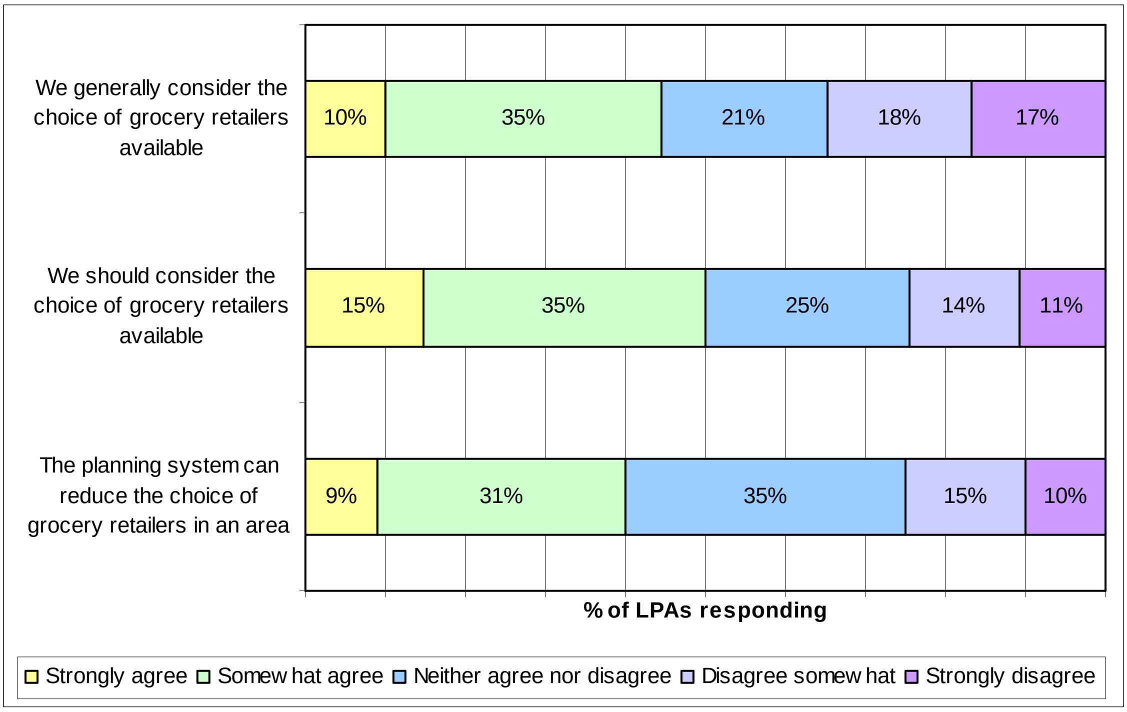
(a) When reviewing planning applications we generally consider the choice of grocery retailers available

(b) When reviewing planning applications we should consider the choice of grocery retailers available

(c) The planning system can reduce the choice of grocery retailers in an area

FIGURE 8

Planning decisions and residents' choice of grocery retailers



Source: CC survey.
Note: Sample size (a) 101, (b) 102, (c) 100.

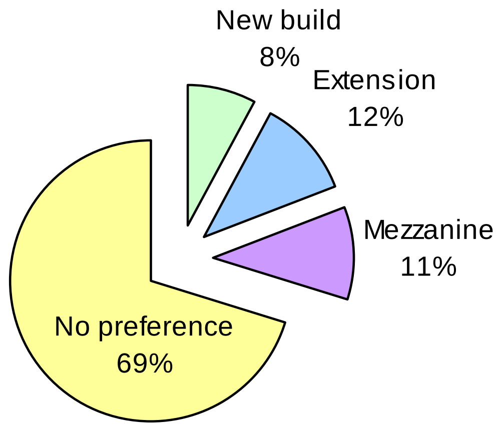
Extensions and mezzanines

22. LPAs were asked three questions about extensions and mezzanines to identify whether the way the planning system was being interpreted by the LPAs gave incumbents a competitive advantage. This is because incumbent retailers may have a competitive advantage if LPAs prefer extensions and mezzanines over new builds.

23. The first question asked whether LPAs had any preference for space to be added as new builds, extensions or mezzanine floors (Figure 9). 69 per cent said that they had no preference. Of the remaining 31 per cent, 23 per cent favoured either an extension or mezzanine and 8 per cent favoured new builds.

FIGURE 9

'If there were a like for like situation what would be the preferred choice of your LPA for the addition of new grocery space—as new build, an extension or as a mezzanine?'



Source: CC survey.
Note: Sample size 104.

Where 'No preference' was selected the comments were:

- 'Depends on location of store and policies which apply.'
- 'No strong policy inclinations about any of these options and assess each development on its own merits.'
- 'Depends on individual circumstances. There is no preference stated in the development plan.'
- 'Impossible to answer, it depends upon the circumstances of the individual case. The question needs to be defined in terms of the geography, different solutions are better for different geographies.'
- 'A preference would be decided on an individual case basis and is therefore subject to change. It would depend on the location of the store, but the main issue would be that the proposal would be well related to existing centres and meets local needs.'
- 'Circumstances vary enormously from town to town and store to store (in terms of suitability for extension, mezzanine etc).'
- 'Each case should be considered on its merits to produce a development which is most likely to support the overall viability and vitality of the town centre in which it is located.'
- 'Cannot generalize about this. Well located stores are better extended, whether by mezzanine or by extension makes little difference. Where a store is badly located, it is preferable to remedy this with a better located new store in a more sustainable location.'

- ‘In line with planning policy the Council seeks to provide new floor-space in town centres first. As a planned new town new build is appropriate on Greenfield sites designated for development in the adopted Local Plan. However, in some older town centres with a conservation area and listed buildings an extension or mezzanine may be more in keeping with the centre.

- ‘Overall policy support is for in-Centre development but criteria based policy applies to out-of-Centre which can allow either new build or extension. One current new-build situation, mezzanines are just a particular form of extension.’

- ‘Various options for delivering improvement in retailing—but would not preclude any option.’

- ‘Would depend on the location of the scheme, a re-build might be preferable if the former building were in poor condition making little contribution to the townscape. Elsewhere a mezzanine might be preferred because it might not alter the external appearance greatly.’

- ‘The [✂] Shopping Centre represents the retail core of [✂]. It would be preferable for new grocery space to come from conversions in this centre.’

- ‘No preference between extension and mezzanine—whether either of these should be favoured over new build will depend on local circumstances such as traffic congestion or the identification of food deserts etc.’

- ‘It will depend on the individual merits of the proposal and how it conforms with the planning policies within the development plan e.g. the principle of development in the proposed location, design, impact on amenity, highway impact etc ...’

Where ‘Extension’ was selected the comments were:

- ‘Likely to be result in least impact as scope for extension will be limited.’

- ‘Consolidation of existing retail offer.’

- ‘Development plan is generally supportive of extensions, dependent on size however.’

- ‘Most likely to ensure that stores would be able to maintain continuity of operation during the construction period.’

- ‘Build on existing successful stores/centres. Could also include rebuild on existing sites.’

- ‘Few opportunities for either new build (no justification) or mezzanine.’

Where ‘Mezzanine’ was selected the comments were:

- ‘Intensifies use of existing building, thereby consuming less development land. However, only appropriate where in accordance with the UDP Review, other government guidance and any other material considerations.’

- ‘It takes less land.’

- ‘Extension or mezzanine because they tend to improve the quality of the shopping experience by widening aisles etc rather than their purpose to improve market share for that retailer.’

- ‘No strong preference, although the “re-use” (or more efficient use) of existing buildings would appear to be preferable in terms of sustainability, also visual impact.’

- ‘Minimizes land-take.’

- ‘Given commitments in the pipeline the choice would be mezzanine followed by extension all are controlled by condition on existing stores anyway.’

- ‘In a densely populated borough such as ours where the preference is for residential development mezzanine extensions will use the least land which would be available for other uses. There are no areas of the Borough which are deficient in grocery shops.’

Where ‘New build’ was selected the comments were:

- ‘Most town centres in [✂] are in need of regeneration and new build as part of a mixed use scheme is the most sustainable use of land and can meet housing needs as well.’

- ‘Some of the existing floor-space is dated and new build would bring qualitative benefits and hopefully new operators.’

- ‘New build offers opportunity to fill gaps in provision. Others consolidate existing pattern of provision.’

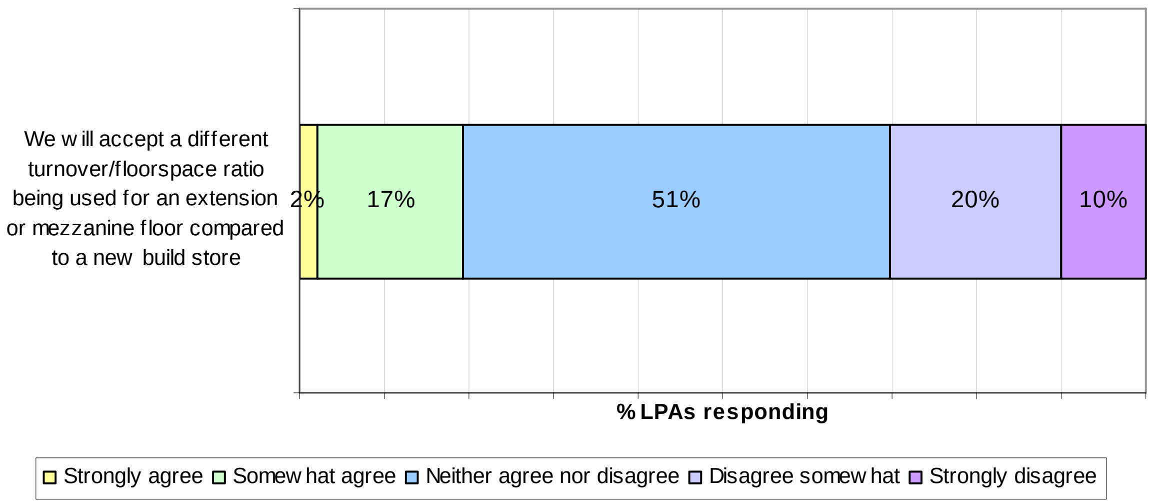
- ‘To redress imbalance of existing location of stores.’

- ‘New Build in [✂] City Centre in order to claw back trade from large out of town supermarkets.’

24. The second question asked LPAs whether they accepted a different space utilization being used for extensions compared with a new build store. Figure 10 summarizes the response. 51 per cent of responses were neutral, neither agreeing nor disagreeing. Of the other responses, more suggested that LPAs would tend not to accept a different utilization.

FIGURE 10

'We will accept a different turnover/floorspace ratio being used for an extension or mezzanine floor compared to a new build store'

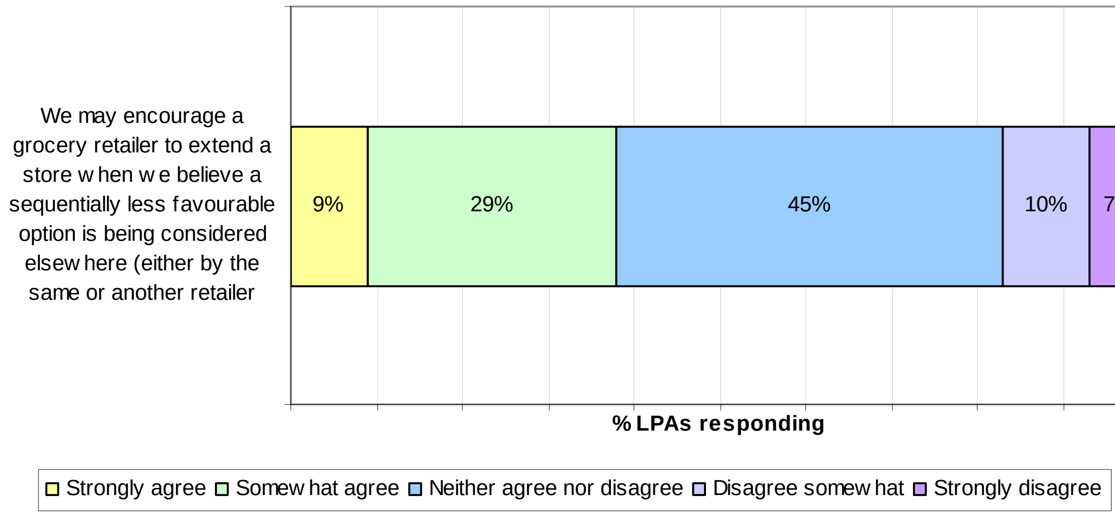


Source: CC survey.
Note: Sample size 99.

25. The third question asked LPAs whether they would consider encouraging a grocery retailer to extend a store when a sequentially less preferable option was being considered elsewhere. 38 per cent agreed that they may do this compared with 17 per cent that disagreed. 45 per cent were neutral (Figure 11). LPAs in urban areas may be more inclined to do this than LPAs in rural areas, with 44 percent of urban LPAs agreeing that they may do this compared with 29 percent of rural LPAs.

FIGURE 11

‘We may encourage a grocery retailer to extend a store when we believe a sequentially less favourable option is being considered elsewhere (either by the same or another retailer)’



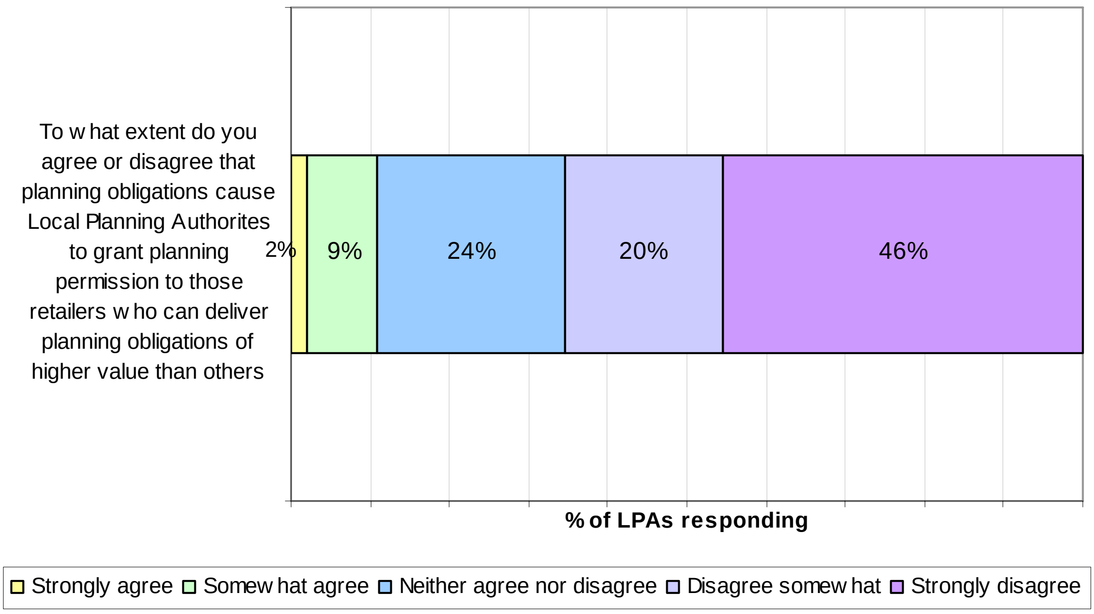
Source: CC survey.
Note: Sample size 100.

Section 106 agreements

26. A question was asked to determine whether LPAs viewed section 106 agreements as meaning that planning approvals may be given to grocery retailers that could deliver higher-value section 106 agreements than others. There is general agreement that section 106 agreements do not have this effect (Figure 12) with 66 per cent disagreeing and only 11 per cent agreeing.

FIGURE 12

'Some planning authorities may consider that planning obligations affect the determination of planning applications in particular ways. To what extent do you agree or disagree that planning obligations cause Local Authorities to grant planning permission to those retailers who can deliver planning obligations of higher value than others'



Source: CC survey.
Note: Sample size 101.

Appeals and costs of appeals

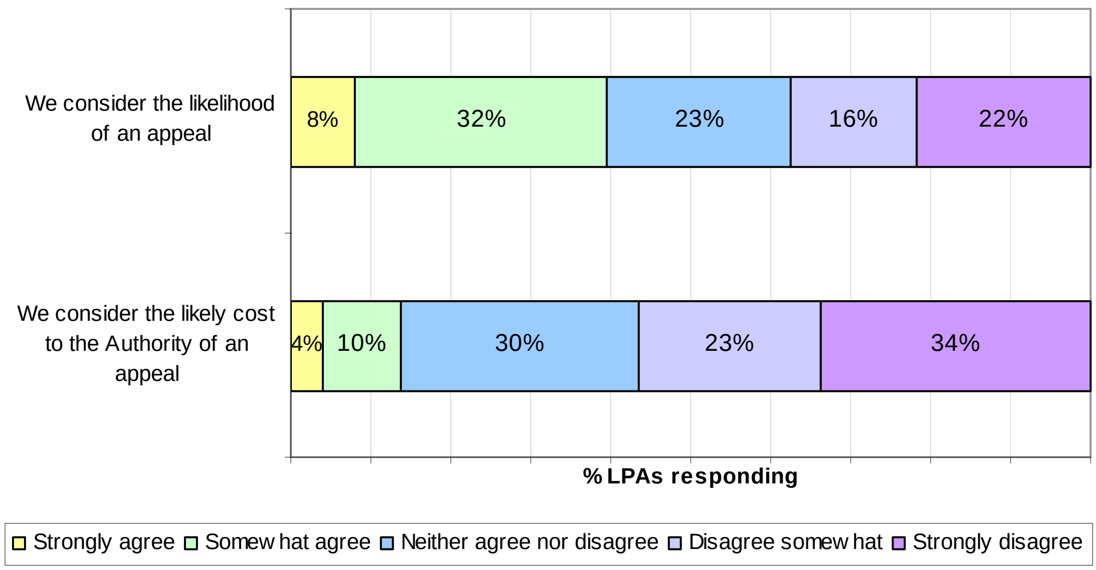
27. LPAs were asked whether the likelihood of an appeal or the cost of an appeal affected their consideration of a planning application (Figure 13). Similar proportions agreed as disagreed, whereas only 14 per cent agreed that the possible cost of an appeal is considered compared with 57 per cent that disagreed.

28. The question was:

> To what extent do you agree or disagree that the possibility or cost of an appeal may affect your planning authority's consideration of a planning application
>
> *(a)* When deciding whether or not to give planning permission for a grocery store we consider the likelihood of an appeal
>
> *(b)* When deciding whether or not to give planning permission for a grocery store we consider the likely cost to the Authority of an appeal

FIGURE 13

Consideration of appeals



Source: CC survey.
Note: Sample size 101.

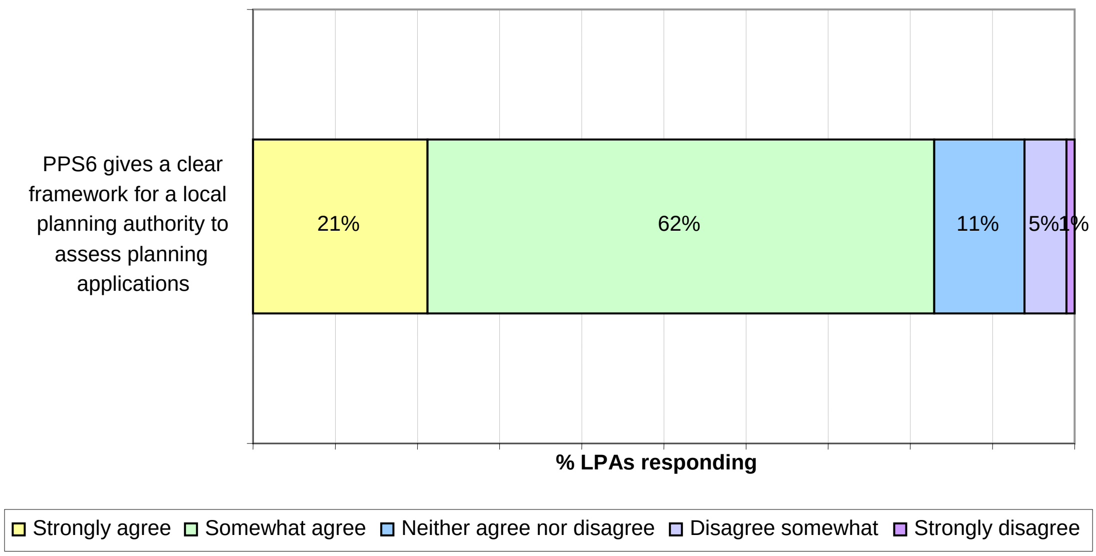
Interpretation of planning policy

29. A number of grocery retailers have told us that the interpretation of planning policy varies at a local level. We asked LPAs whether PPS6[7] gave them a clear framework in which to assess a planning application. The responses are summarized in Figure 14. 83 per cent agreed that PPS6 provided them with a clear framework for assessing planning applications.

[7]Planning Policy Statement 6, Planning for Town Centres

FIGURE 14

PPS6 gives a clear framework for an LPA to assess planning applications



Source: CC survey.
Note: Sample size 99.

Practices by grocery retailers

30. To identify ways that a grocery retailer may work within the planning system to gain an advantage over competitors, we asked LPAs a number of questions which are detailed below in Figure 15. 55 per cent of LPAs that responded were aware, or had reason to believe, that competitors objected to other planning applications. 34 per cent answered similarly when asked whether competitors submitted competing planning applications in response to a planning application made by a competitor. 41 per cent also said that it was aware, or had reason to believe, that competitors held sites that had planning permission but delayed building on the site. Finally. LPAs were asked whether compulsory purchase powers were used to acquire a competitor site. This may be necessary, for example, when a grocery retailer held a strip of land that prevented another retailer from assembling a site. The vast majority were sure, or did not believe, that this occurred.

To what extent, if at all, are you aware of any of the following activities by any grocery retailer, or on its behalf, within your Planning Authority area?

(a) Objecting to a planning application, either by a competitor or by others on the competitor's behalf, when the retailer is not trying to develop the same plot itself

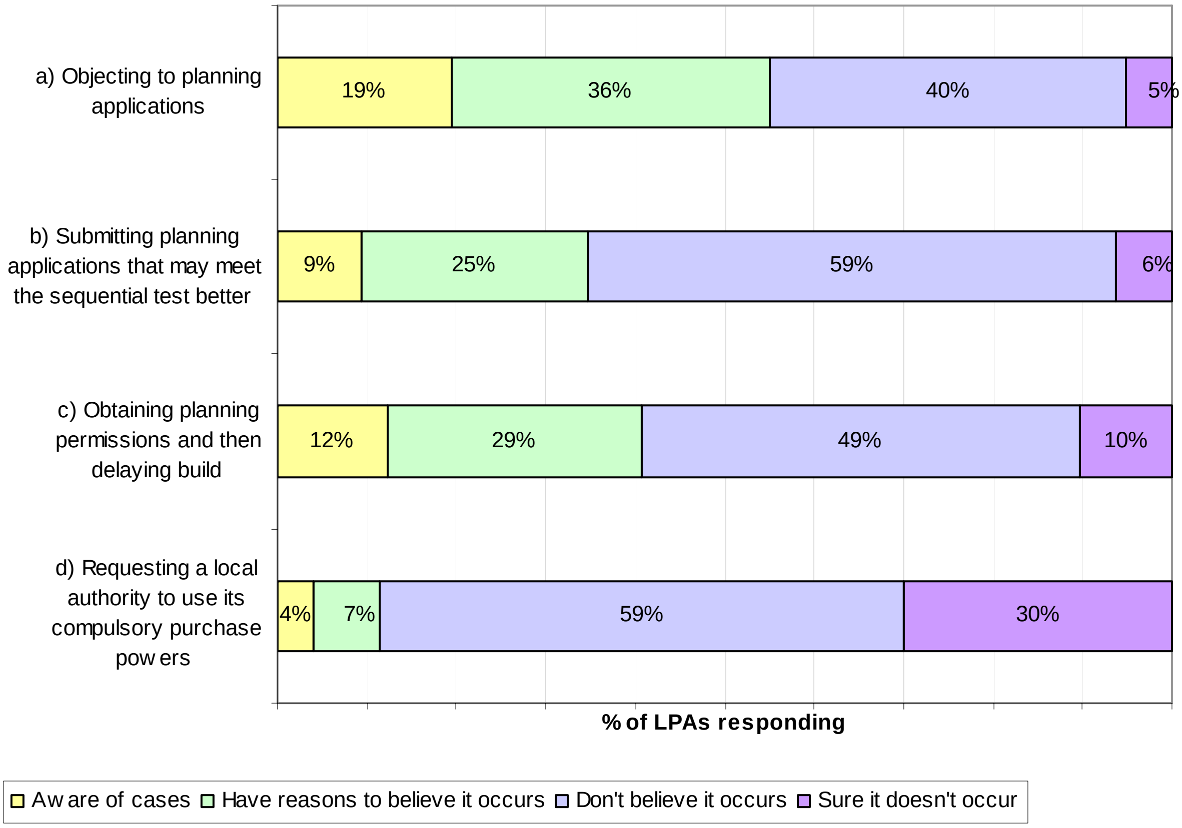
(b) Submitting a planning application (new build, mezzanine or extension) for a site that may meet the sequential test better in response to a planning application made by a competitor

(c) Obtaining planning permission for a plot and then not building or not building for substantially longer than you had expected

(d) Requesting a local authority to use its compulsory purchase powers to purchase plots of land owned by another grocery retailer

FIGURE 15

Awareness of activities by grocery retailers



Source: CC survey.
Note: Sample size (a) 98, (b) 95, (c) 98, (d) 97.

Actions by local authorities

31. LPAs were asked whether they were aware of any actions by local authorities that may have had an impact on the number of different grocery retailers in a locality. The responses are summarized in Table 2. The main response concerns the granting of planning consent for grocery development on land owned, or previously owned, by the local authority. However, this is often a necessary part of site assembly for a grocery retailer.

TABLE 2 **'We are interested in any actions by local authorities that may inadvertently or otherwise restrict the number of different grocery retailers who have stores in a locality. Has your local authority, since 2000 (please select any that apply):**

	Number of cases reported
(a) Sold or leased to a grocery retailer a site, or land to form part of a site, with any kind of agreement (either a formal agreement or an informal agreement or understanding) which might restrict the competition the buyer would face.	3
(b) Sold or leased land to one grocery retailer rather than another for reasons other than price.	4
(c) Entered into a planning agreement (either a formal agreement or an informal agreement or understanding) with a grocery retailer which included conditions on the Authority which might restrict the number of alternative grocery retailers with stores nearby.	0
(d) Given any formal or informal undertakings to grocery retailers or anyone else to restrict grocery retailing near a development site in any way.	2
(e) Granted planning consent for grocery development on land that your Local Authority owned, or had previously owned, in whole or in part.'	30

Source: CC survey.

Note: Number of responses for each category shown.

Overall views

32. The LPAs were asked:

Finally, are there any aspects of the planning system or related legal requirements that may facilitate or hinder competition between grocery retailers?

33. Responses were:

- 'Accept that the planning system does make it difficult for new retailers to enter the market and build market share.'
- 'Do not believe that it is basically the planning system that hinders competition. Competition between retailers is not currently a material consideration and if it was made one I think it would be very difficult to see how this would work.'
- 'I found some of these questions leading or simplistic. For example, the value of planning obligations is of course a relevant consideration when deciding a planning application, but that is because the planning obligations, if correctly used, are necessary in order to meet important planning objectives for a site or a locality. It should not be inferred from this that they are inducements to grant a planning permission for a harmful development. Also, it would be reasonable to take some account of a likely appeal outcome, if a Local Planning Authority was contemplating a refusal which may not be fully supported by national or local planning policy and therefore may not be straightforward to defend. This does not mean that planning decisions are driven by appeal considerations, and each individual case will be different. Large retailers may, in certain circumstances, offer more significant regeneration benefits than others, but again it depends on the specific circumstances, including the location of the site, the amount of retail headroom, the range of existing retailers present in the town centre, the scope for integrating the development into the retail core area and so on. These cannot easily be reduced down to rules which can be generally applied. For these reasons, I consider your survey is likely to produce unreliable results which could lead to misleading or simplistic conclusions. I have considered not responding but I note that you have

powers to require a response. I would be grateful if you would note these reservations.'

- 'If there is no identified quantitative need, then the planning system will indirectly as a consequence favour existing as against new retailers. Where there is need or where an appropriate scale of provision is proposed entirely in line the Development Plan within recognised centres, there is no hindering and competition is facilitated. Inevitably, the sequential approach reduces the likelihood of development in locations that do not conform to it, and so reduces the number of sites available. It is however important to maximise consumer choice and competition within these constraints.'

- 'No, it is not a function of the planning system to regulate competition between retailers.'

- 'Para.1.7 of Planning Policy Statement 6: Planning for Town Centres by ODPM 2005 states "It is not the role of the planning system to restrict competition, preserve existing commercial interests or to prevent innovation."

- I am not aware of any. I would also like to point out that PPS6 does not apply in Wales. The relevant document here is Planning Policy Wales and Ministerial Interim Planning Statement 02/2005, "Planning for Retailing and Town Centres"

- 'Planning intervenes in market forces. Therefore there is bound to be some restriction on competition. However, a free for all would kill many town and city centres. PPS6, notwithstanding its faults is a good compromise.'

- 'The importance within PPS6 of the requirement for retailers to demonstrate a quantitative need. Where no quantitative need exists in an area, it is difficult for retailers to gain planning consent in that area and so the status quo remains.'

- 'The needs test may inadvertently restrict competition in local areas. However a blanket removal of this test must not result in a growth of out of town comparison goods stores, the other PPS6 test, ie. town centre first and sequential test must be maintained and strengthened.'

- 'The advice set out in PPS6 should provide a platform to provide a more sustainable approach to the provision of new and the maintenance of existing sites for retailing especially within urban areas. This could assist/reinforce existing grocery facilities with local neighbourhood centres to secure more sustainable transport movements and the nurturing of local businesses.'

- 'Our principal concern relates to the increasing homogenisation of our town centres. The Planning system does not let LPA's consider ownership when determining an application. This allows for the gradual spread of major retailers at the expense if smaller chains or independents—thereby reducing choice and diminishing the interest of our centres.'

- 'Our Town Centres tend to be dominated by one major anchor store. It is difficult to introduce competition when need is already met—would help for PPS6 to make clear that competition within a centre is a legitimate need and therefore the larger operators would need to accept and facilitate others into the centre (whether) high end or deep discounters.'

- 'Plan-led identification of sites can help facilitate competition. However, a real issue is the fact that grocery retailer's sales(and profits) are increasingly driven not by their grocery offer but by their non-food (or comparison goods) offer and unless their stores are located in town and neighbourhood centres, such a development can pose a real threat to the vitality and viability of centres and high streets.'

- 'The expansion of 'Superstore' Mezzanines has resulted in greater retail activity at existing sites to the detriment of smaller supermarkets run for example, by the Coop and other traditional High Street or edge-of High Street grocers (eg Somerfield).'

- 'The principal hindrance to competition is the behaviour of the major players in acquiring interests in any available site. To tackle this by over-allocating would result in over-provision of floor space, particularly in unsustainable locations away from town centres, would be environmentally damaging and be a major blow to town centre viability. Such a course of action would in my view be wholly reprehensible.'

- 'The "sequential approach" is a positive factor for promoting competitiveness and innovation in the grocery sector, as it seeks to focus rival companies in close proximity in or on the edge of town centres. These are the locations which are most accessible to the largest number of people in all sections of the community. However, it is precisely these locations which engender the greatest opposition from local businesses. Such locations also have to contend with many difficulties in terms of traffic generation, difficult site assembly, conservation interests etc. Consequently, by default, many large food stores gravitate to more peripheral locations which are only accessible to car users, are subject to less competitive pressure, and offer less choice to consumers.'

- 'The lack of a variety in existing centres which area available/allocated—in Gateshead our replacement plan indicates a need in 2 centres for sizeable schemes. There may be needs in other centres for more limited provision but where there aren't the sites.'

- 'Greater willingness to use CPO may be an issue.'

- 'Application of conditions to prevent non-food retailing more likely to be applied in out-of-centre locations for reasons of impact on existing centres.'

- 'Planning does put some restriction on the availability of sites and this could be said to hinder competition.'

- 'The planning system is capable of being abused and has been by Tesco in this district to restrict competition from competitors.'

- 'Large operators simply have the resources to acquire the best sites, and present a case for their proposal.'

- 'Section 123 of the LGA 1972 places a clear obligation on authorities to ensure that they sell land to the highest possible price. Authorities are not permitted to make value judgements when conducting land deals regarding the encouragement of local competition between stores. This is a weakness.'

- 'Sequential test protects retailers who already have a prime town centre location.'

- 'Smaller and independent grocery retailers are less likely to be able to afford a) the best sites or b) s106 contributions.'

- ‘There may be circumstances but would need to be subject of much further research having regard to other objectives also of the planning system.’

Part two survey results

Response rate

34. The response rate for part two of the survey is summarized in Table 3. The overall response rate was lower for this part of the questionnaire, amounting to 13 per cent overall, with 54 out of 409 authorities responding. The smaller sample size means that the results should be treated with some caution but nevertheless we believe that the responses to this part of the questionnaire still provide a useful insight.

TABLE 3 **Response rate by region—part 2**

By Authority type

	Replies	*GB Total*	*% Reply*
London Borough	6	33	18
Metropolitan Borough	7	36	19
Non-Metropolitan Borough	26	239	11
Unitary—England	9	46	20
Unitary—Wales	5	22	23
Unitary—Scotland	1	32	3
Northern Ireland	0	1	0
Total	54	409	13

By English local government region

	Replies	*Districts in Region*	*% Reply*
South-East England	16	66	24
South-West England	2	45	4
Greater London	6	33	18
East of England	6	50	12
East Midlands	3	42	7
West Midlands	2	34	6
North-West England	8	43	19
Yorkshire & Humber	3	21	14
North-East England	2	23	9
Total	48	357	13

Source: CC survey.

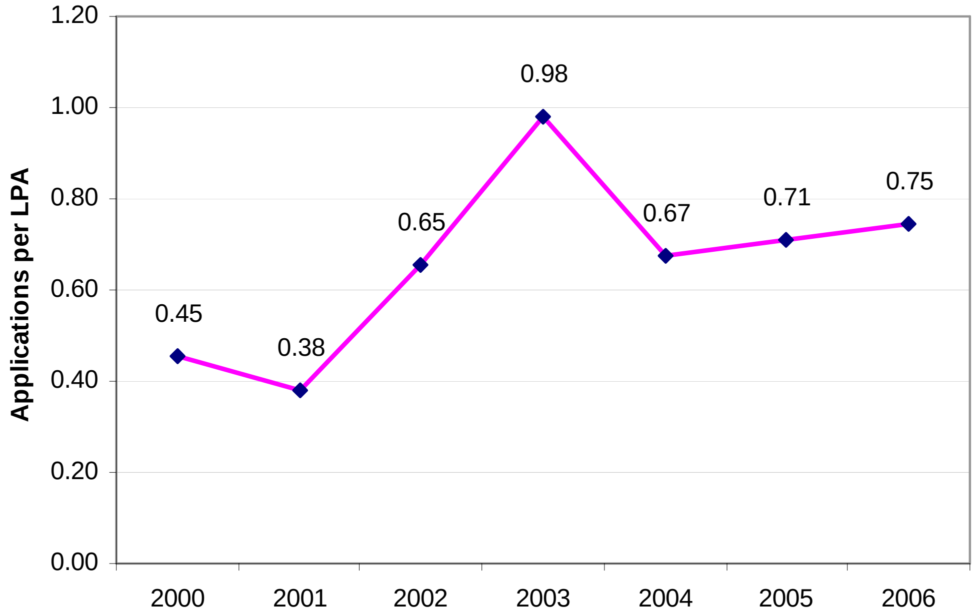
35. The overall responses are shown in annex A, while key trends are set out below.

Number of applications per LPA

36. Figure 16 shows the number of applications per LPA. This suggests that, of the LPAs that responded, each LPA receives less than one planning application per year on average. This is fewer than reported from a similar survey for the 2000 supermarkets inquiry, where the number of applications per LPA was between one and two (however we recognize that this may be due to sampling differences).

FIGURE 16

Trend in number of planning applications per LPA



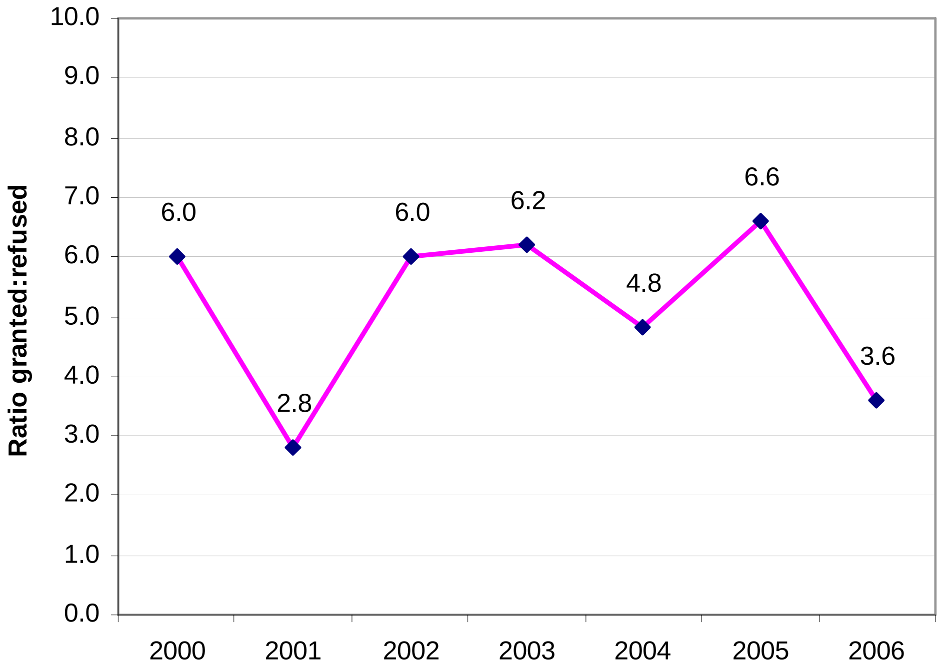
Source: CC survey.

Success rate

37. Figure 17 shows, for the LPAs that responded, the ratio of applications that were approved in a year to those rejected. In each year significantly more planning applications were approved than rejected, with the ratio being between five and seven in four out of the seven years.

FIGURE 17

Ratio of applications approved to those rejected



Source: CC survey.

Analysis of new data

Applications by retailer

38. Figure 18 shows, from the data provided by the LPAs, the number of planning applications by retailer. [✄]

FIGURE 18

Number of planning applications by retailer, 2000-06

[✄]

Time to gain approval

39. [✄] shows, for the LPAs that reported, the time taken from initial application to gaining approval for new build stores and extensions. New-build stores on average take 20 per cent longer to gain approval than extensions. The times taken were not dissimilar to those previously calculated from our analysis of the responses to the questionnaires we sent to the retailers (and previously reported in the planning working paper published in January 2007).

TABLE 4 **Time to approval for grocery retail planning applications**

Weeks	*New build*	*Extension/mezzanine*
Number of approvals[8]	115	70
Average	47	39
Max	342	167
Min	0	0
Median	26	20

Source: CC survey

The time to approval by retailer also shows similar trends to those reported in the planning working paper. [✂]

TABLE 5 **Time to approval by retailer**

[✂]

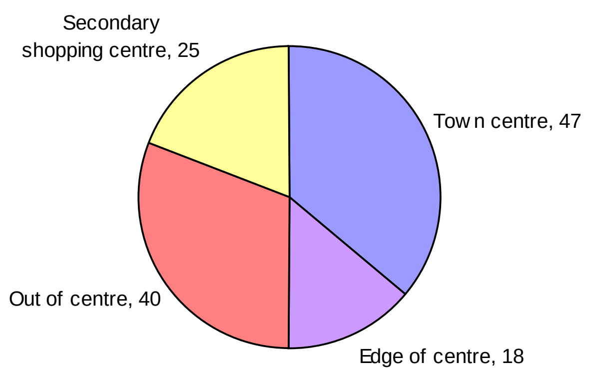
Source: CC survey

Location of applications

40. Figure 19 shows the location of the applications for new build stores reported by LPAs. As would be expected with the town centre first policy a large proportion (36 per cent) are for town centre developments, however a significant proportion (31 per cent) are for out-of-centre developments. This contrasts with the situation for extensions and mezzanines, where 48 per cent of applications are for out-of centre developments and only 20 per cent are in town centre locations .

FIGURE 19

Location of applications for new build stores, 2000–06

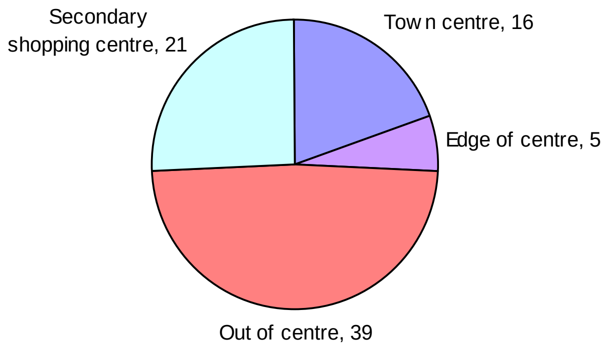


Source: CC survey

[8]Note these figures are slightly lower than the total number of approvals reported in Annex A because some of the LPA responses did not include all the necessary dates.

FIGURE 20

Location of applications for extensions/mezzanines, 2000–06



Source: CC survey.

Section 106 agreements

41. An analysis of the value of section 106 agreements reported by LPAs is set out in Table 6.

TABLE 6 **Retail planning applications and Section 106 agreements**

	New build	*Extensions/mezzanine*
Number with s106 agreements	28	22
Value		
Average (£'000)	484	143
Maximum (£'000)	6,000	700
Minimum (£'000)	16	5
Median (£'000)	104	79

Source: CC survey

Part 2 questionnaire responses

		Year							
		1999	2000	2001	2002	2003	2004	2005	2006
	New build	11	17	10	23	33	25	25	28
Number of planning applications submitted in the year	Extension/Mezzanine	5	8	11	13	21	12	14	13
	Total	16	25	21	36	54	37	39	41
Total applications per LPA		0.29	0.45	0.38	0.65	0.98	0.67	0.71	0.75
Average size of stores for which planning applications submitted (sq metres)	New build	2,276	3,164	2,205	3,320	3,147	4,086	2,162	2,095
	Extension/Mezzanine	3,487	2,565	3,180	2,894	2,708	2,648	1,728	2,580
	New build	-	12	10	15	18	16	20	26
Number granted in the year	Extension/Mezzanine	-	6	4	15	13	13	13	10
	Total	-	18	14	30	31	29	33	36
Average size of stores for which planning permission granted (sq metres)	New build	-	1,371	4,135	2,651	3,091	5,559	1,672	2,999
	Extension/Mezzanine	-	1,464	3,341	3,425	1,686	2,542	2,253	1,505
	New build	-	1	4	3	5	4	2	9
Number refused in the year	Extension/Mezzanine	-	2	1	2	0	2	3	1
	Total		3	5	5	5	6	5	10
	New build	-	12.0	2.5	5.0	3.6	4.0	10.0	2.9
Ratio of Granted to Rejected	Extension/Mezzanine		3.0	4.0	7.5	n/a	6.5	4.3	10.0
	Total		6.0	2.8	6.0	6.2	4.8	6.6	3.6
Number called in, in the year		-	1	2	-	-	3	-	3
Number withdrawn in the year		-	-	-	-	-	2	1	1
Number appealed in the year			1	1	2	1			2
Number granted on appeal/call in		-	1	2	-	1	2	-	3
Number refused on appeal/call in		-	1	1	-	1	1	-	2
Number subject to high court challenge		-	-	-	-	-	-	-	-
Number of times costs awarded against your Authority		-	-	-	-	-	-	-	-
Total cost to your Authority of costs awarded against it (£'000)		-	-	-	-	-	-	-	-
How many refused sites were subsequently the subject of a broadly similar application by the same or another applicant			2		2	2		2	2
Number of stores actually opened		-	9	9	10	11	7	6	3
In how many cases was compulsory purchase used for any part of a site		-	-	-	-	-	-	-	-
Reason for Rejection									
Other sites met sequential approach better		-	0	0	1	0	4	1	4
Lack of Qualitative Need		-	0	1	1	0	2	1	1
Lack of Quantitative Need		-	0	3	1	0	4	2	2
Retail Impact Assessment		-	2	3	3	1	5	0	6
Retail Impact Assessment		-	0	1	0	0	2	0	0
Other		-	1	5	4	5	4	2	9

Source: CC survey.