

**DOVER DISTRICT COUNCIL RETAIL AND TOWN
CENTRE NEEDS ASSESSMENT (RTCNA)
- 2021 UPDATE**

for:

Dover District Council

FINAL
Volume 3:
Policy and Strategy
Recommendations

October 2021

lsh.co.uk



Reviewed by:

Report Issue Date: October 2021

This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release. If not signed off, the document should be treated as a draft and as being private and confidential, and not for wider distribution without the written permission of Lambert Smith Hampton.

Signed:



.....

For and on behalf of Lambert Smith Hampton

Contents

- 1. Introduction 1**
- 2. Policy Review 2**
- 3. Future Strategy..... 15**

1. Introduction

- 1.1 This volume summarises the key findings and sets out high-level advice on how DDC can effectively plan for, manage and promote the vitality and viability of its centres over the plan period to 2040.
- 1.2 As part of this assessment specific reference is made to ‘sense check’ the proposals detailed in the draft Plan (the Regulation 18 document) and specifically
- **Development Management Policy 25** on “*Primary Shopping Areas*”;
 - **Development Management Policy 26** on “*Sequential Test and Impact Assessment*”,
 - **Strategic Policy 11** on “*Dover Town Centre*”; and
 - **Strategic Policy 12** on “*Deal and Sandwich Town Centres*”.
- 1.3 As detailed previously, the advice has been prepared in the context of national and development plan policy guidance, as well as other key material considerations. This includes the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG), which place weight on the development of positive plan-led visions and strategies for town centres, and promote new investment and development in town centres first ahead of edge and out-of centre locations.
- 1.4 For ease of reference **Volume 3** of this report is structured as follows:
- **Section 2** updates and reviews Shopping Frontages and Town Centre Boundaries with specific reference to **Development Management Policies 25** and **26**; and **Strategic Policies 11** and **12**.
 - **Section 3** provides key findings with a focus on policy and strategy in the context of the draft Local (Regulation 18) Plan. The concluding section also provides wider policy recommendations in the light of the COVID-19 pandemic; the draft Plan (the Regulation 18 document) period running to 2040; and changes to the planning system (such as use-class and permitted development rights). The findings also reflect the outputs of the updated quantitative assessment that supersede those of the 2018 Retail and Town Centres Needs Assessment (**2018 RTCNA**). The advice is also in compliance with the NPPF and the relative role and function of the main centres in the network and hierarchy of centres (NPPF, paragraph 86).

2. Policy Review

- 2.1 This section provides a summary of the key findings of the study relevant to plan-making and decision-taking in the DDC area and its centres. It specifically sets out high-level advice on how the Council can effectively plan for, manage and promote the vitality and viability of centres in the hierarchy over the development plan period. The review considers principally the strategic Secondary Regional Centre (Dover) and Town Centre's (Deal and Sandwich).
- 2.2 Our advice is informed by the quantitative and qualitative need assessment for new town centre uses and in the context of national and development plan policy guidance, as well as other key material considerations. This includes the NPPF and PPG both of which place weight on the development of positive plan-led visions and strategies for town centres, and promote new investment and development in town centres first ahead of edge and out-of-centre locations.
- 2.3 This section sets out the recommendations for accommodating development for new retail, leisure, and other town centre uses. Recommendations consider:
- Where new development should be focused taking account of forecast retail capacity and gaps in leisure provision and growth of online shopping;
 - The need to maintain and/or change town centre offer for the District's main centres to ensure they function more sustainably;
 - Any potential changes to the defined Primary Shopping Area / Town Centre boundaries for town centres; and
 - Review the threshold for requiring a retail impact assessment for retail proposals that are edge or out-of-centre.
- 2.4 It is against this background that we set out below our main findings and recommendations to help inform plan-making in the District, specifically focusing on positive policies that will help with the management and potential growth of competitive town centres in compliance with the NPPF.

PRIMARY SHOPPING AREA AND TOWN CENTRE BOUNDARIES

- 2.5 The NPPF states that planning policies should “...define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre” (paragraph 86b). Annex 2 to the NPPF:
- defines the **Primary Shopping Area (PSA)** as an “...area where retail development is concentrated”;

-
- defines edge of centre (for retail purposes) as a location that is “...*well connected to, and up to 300 metres from, the primary shopping area*” (our emphasis underlined); and
 - for all other main town centre uses edge of centre is a location “...*within 300 metres of a town centre boundary*” (our emphasis underlined).
- 2.6 The NPPF explains that the town centre is an area defined on the local authority’s policies map, and includes the PSA and areas predominantly occupied by main town centre uses¹ within or adjacent to the PSA.
- 2.7 It should be noted from the outset that there is no policy requirement under the NPPF to define primary and/or secondary shopping frontages. The accompanying PPG does state that local planning authorities may, where appropriate, wish to define frontages “...*where their use can be justified in supporting the vitality and viability of particular centres*”². However, in this case we consider that the continued definition and application of primary and secondary frontages in policy is now out date and too restrictive. In our view frontage policies can prevent the growth of a mix of non-retail uses and activities that can add significantly to the diversity, vitality and viability of towns and high streets.

Primary Shopping Areas

- 2.8 Our review of the definition and extent of town centre boundaries for each of the District’s main centres necessarily takes account of the impact of recent planning reforms (see **Volume 1, Section**). These include the new Use Classes Order comprising the new Class E (commercial, business and service uses); and the new PDR allowing the conversion of Class E uses to Class C3 (residential). This effectively means that a wide range of shops, restaurants and cafés, banks, estate agents, nail bars, doctors’ surgeries, crèches and gyms will all be able to be change into residential units without the need for planning permission; albeit subject to prior approval and the need to satisfy certain criteria (including the requirement for the unit to be vacant for a continuous period of at least three months prior to the date of the application for prior approval).
- 2.9 In this context, given the scrapping of the previous Class A uses (including shops) and the introduction of a much wider Class E use (which incorporates Class A1-A3, B1, D1(a), D1(b) and D2(e)), it is our judgement that the definition of a PSA (i.e. an area where retail development is concentrated) is no longer necessarily material or applicable to plan-making. This is further underlined by the findings of this study, which show no capacity for

¹ 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 the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

² PPG. Paragraph: 002. Reference: ID: 2b-002-20190722.

new retail floorspace over the period to 2040, a significant contraction in the demand for retail space, increasing retail business failures and closures, and a likely increase in the proportion of vacant retail (non-food) space. The resulting implication is that there is a need for consolidation and focus on the core retail areas as opposed to expansion.

2.10 Notwithstanding these planning reforms and trends, the policies pertaining to plan-making and decision taking for retail, leisure and town centre uses in the NPPF do still refer to the need to define a PSA. Also, the definition of a PSA is key to the application of both the sequential and impact tests (paragraphs 87-91).

2.11 It is noted that the draft Local (Regulation 18) Plan is in recognition of the above and the preamble to the section on 'Retail & Town Centres' (page 123), states that:

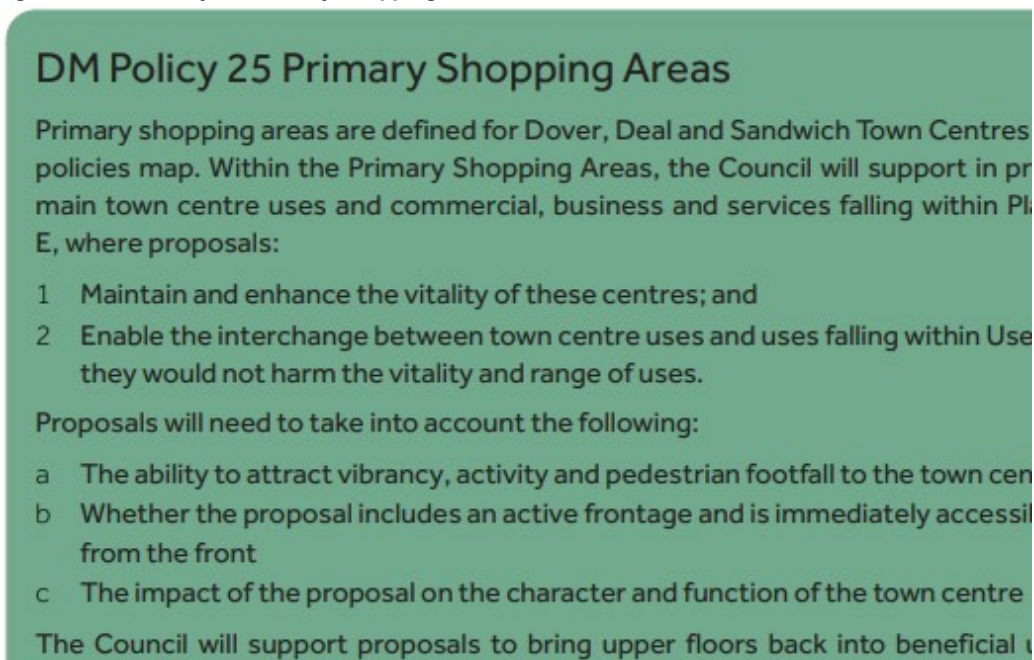
“With the changes to the NPPF (Feb 2019) requiring a designated primary shopping area compared with the previous method of designating primary and secondary retail frontages, the policy needs to identify the uses which are considered to be acceptable within the primary shopping areas. Options include:

- *A policy which allows only retail uses within the primary shopping area.*
- *A more flexible policy which allows a wider range of commercial uses subject to specified criteria that ensure the proposals contribute to the overall vitality and viability of town centres.*
- *To not allow residential uses within the ground floor of the primary shopping areas to protect the retail and commercial uses.*

Furthermore, given the changing nature and role of town centres, and the importance of a wider range of uses being provided within town centre, to ensure their future vitality and viability, the flexible approach is considered to be the preferred option considered to be the preferred option”.

2.12 The draft Local (Regulation 18) Plan **DM Policy 25** on “**Primary Shopping Areas**” is therefore reflective of this as shown below:

Figure 2.1: DM Policy 25: Primary Shopping Areas



Source: <https://www.doverdistrictlocalplan.co.uk/uploads/pdfs/dover-district-draft-local-plan-regulation-18-document.pdf>, Page 136.

- 2.13 In relation to Policy DM 25 we would recommend that the reference to “Primary Shopping Frontage” be removed as there is no policy requirement under the NPPF to define primary and/or secondary shopping frontages.
- 2.14 Drawing on the evidence and key findings relating to this update, the following sets out our judgements and advice on the definition of appropriate and robust boundaries for the District’s main centres.

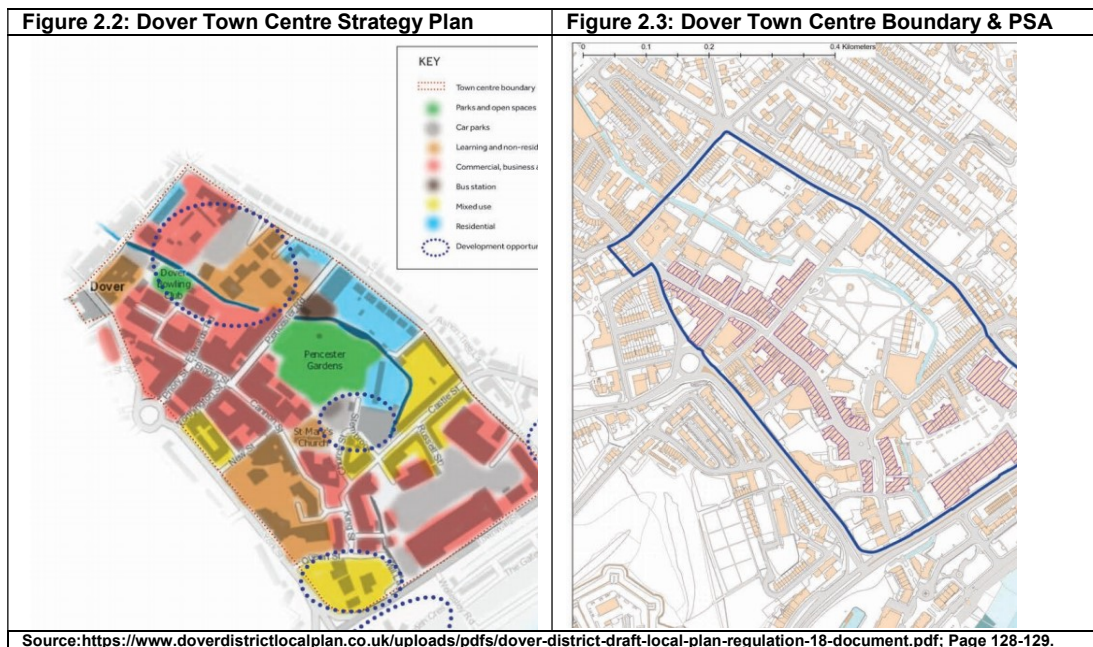
Dover Town Centre

- 2.15 **Strategic Policy 11** in the draft Local (Regulation 18) Plan focuses on “**Dover Town Centre**” stating: “*The Council will support proposals, in principle, that help to deliver the regeneration and development of Dover town centre, in accordance with the vision and town centre strategy*”.
- 2.16 The preamble to this policy (paragraph 8.60) cites that the Council's aspiration for Dover Town Centre is to:
- Create a more vibrant centre by encouraging a diverse range of uses in the town centre, to maximise its attractiveness as a place to live, work and socialise;
 - Increase the number of visitors to the town centre (both residents and tourists alike) and improve dwell time;
 - Improve the synergy between different areas and visitor attractions in the town centre and beyond;

- Enhance the environment in the town centre to make it more welcoming and renew the sense of pride in the town; and
- Improve connectivity both within the town centre boundary, and with other areas such as the sea front to maximise and optimise the way people get to and travel around the town centre.

2.17 Furthermore, that for a more vibrant town centre, the draft Local (Regulation 18) Plan takes into account the findings of the 2018 RTCNA and the Economic Growth Strategy (2020) and identifies opportunities for development within the town centre boundary with the creation of a more vibrant centre through (paragraphs 8.62 and 8.63) :

- Reducing the town centre boundary;
- Protecting the core primary shopping area in the town centre for commercial, business and service uses that fall under use class E of the updated use class order (Sept 2020) and other main town centres uses including: leisure, entertainment facilities, cinemas, restaurants, take-aways, bars and pubs, night clubs, casinos, health and fitness centres, indoor bowling centres, bingo halls, offices, arts, culture and tourism development (including theatres, museums, galleries, concert halls, hotels and conference facilities).
- Taking a more flexible approach to proposals outside the core primary shopping area, and supporting a broad range of uses here, including residential and community (including libraries, public halls, places of worship and law courts) to enhance the long term vitality and viability of the town centre.



2.18 We are of the opinion that that the PSA for Dover Town Centre is situated around Cannon Street, Biggin Street and the St. James Retail and Leisure Park. This is a reflection of the

southwards shift which is likely to be consolidated further with the proposed interventions and improvements in and around Market Square. It is further noted that the Local (Regulation 18) Plan shows a more compact Town Centre boundary when compared to the one shown in the 2018 RTCNA. This new boundary does not extend towards the waterfront as it did previously. This compaction is recommended as it will enable DDC to capitalise on town centre focused initiatives, such as mixed use development, that can take place in the core of the centre thereby raise its vitality and viability. With an already high vacancy rate, approaching 19% in 2021 (up from 14% in 2018), the reoccupation of vacant floorspace will remain a priority albeit for regeneration or redevelopment for a mix of uses so that the centre remains vital and viable. It is recommended that DDC actively monitor vacancies on a regular basis to identify potential areas for further regeneration opportunities.

Deal and Sandwich Town Centres

- 2.19 **Strategic Policy 12** of the draft Local (Regulation 18) Plan on “**Deal and Sandwich Town Centres**” states that “*The Council will support in principle proposals which continue to place Deal and Sandwich at the heart of the communities they serve, and their role as vibrant town centres offering a range of compatible uses reflecting their individual character and economies*”.

Figure 2.4: Deal Town Centre Boundary & PSA

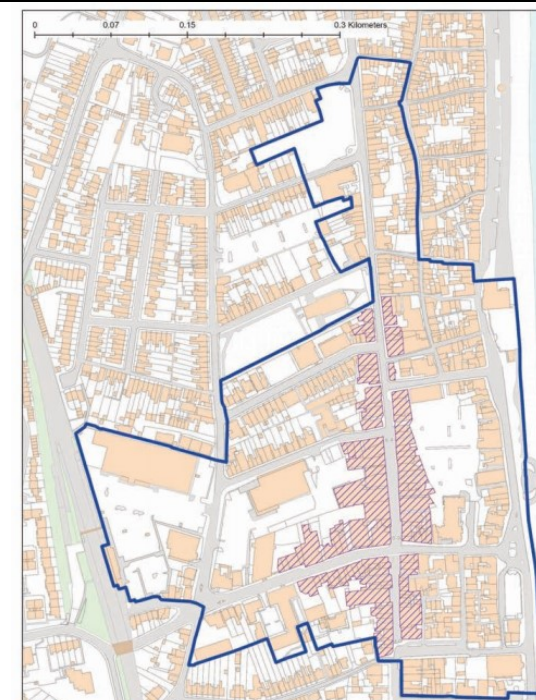


Figure 2.5: Sandwich Town Centre Boundary & PSA



Source: <https://www.doverdistrictlocalplan.co.uk/uploads/pdfs/dover-district-draft-local-plan-regulation-18-document.pdf>; Page 133-134.

- 2.20 For Deal, the draft Local (Regulation 18) Plan states that it *“will be proactively and continuously promoted as a family leisure destination which capitalises on the historic heritage, with improved connectivity to the seafront from the town to increase the tourist trade”* (paragraph 8.69).
- 2.21 A review of the defined PSA in Deal shows that it broadly follows the main concentration of retail provision in the town centre. A comparison with the 2018 RTCNA shows that the current PSA designation extends to incorporate the previously defined secondary frontages up to the intersection with High Street and Oak Street. We consider the current PSA designation to be correct considering the concentration of retail units along this area. We are also of the opinion that the Town Centre Boundary extension that includes Deal Town Hall and Union Road Car Park³ is broadly appropriate considering the range and mix of town centre uses incorporated in this boundary. We would recommend that the Town Centre Boundary to the North (beyond the PSA) could be consolidated further so as to closely align with the commercial presence and thereby exclude the surrounding residential units.
- 2.22 Overall, as a centre with relatively low vacancy rate of 4.1% (compared with 5.8% in 2018), it is performing well despite the structural changes facing the broader retail sector. The low vacancy rate, and presence of key multiples contributes to the town centre’s offer and overall attraction. The aim for the Council will be to continue monitor vacancies within the town centre boundary to ensure that the centre continues to maintain its vibrancy and remains vital and viable.
- 2.23 In relation to Sandwich, the draft Local (Regulation 18) Plan states that *“because of the historic medieval street pattern and number of listed buildings, the focus will be upon capitalising on the tourism spend within the town centre associated with the town’s historic medieval heritage and golfing identity”* (paragraph 8.70).
- 2.24 On this basis a review of the PSA and town centre boundary in the draft Local (Regulation 18) Plan shows no change when compared to the 2018 RTCNA recommendations. Based on the historic street pattern both are considered to be adequate. It is also noted that the current vacancy rate is 13.5% (risen from 5.4% in 2018) and the Council will need to proactively monitor this on a regular basis to ensure that it does not detract from its historic heritage and ensuing vitality and viability.

LOCAL FLOORSPACE IMPACT THRESHOLD

- 2.25 As described in **Section 2, Volume 1**, the NPPF requires an impact assessment to be undertaken for *“retail, leisure and office development outside of town centres, which are*

³ Similar to “Suggested Change for Deal: Option 2” as detailed in the 2018 RTCNA (page 104).

not in accordance with an up-to-date Local Plan” (paragraph 90). Local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold, but if there is no local threshold, then the NPPF default threshold (2,500 sqm gross) should be applied. To help inform the setting of an appropriate impact threshold we have also referred to the PPG⁴, which states that it will be important to consider the following:

- scale of proposals relative to town centres;
- the existing viability and vitality of town centres;
- cumulative effects of recent developments;
- whether local town centres are vulnerable;
- likely effects of development on any town centre strategy; and
- impact on any other planned investment

2.26 It is noted that the draft Local (Regulation 18) Plan under **DM Policy 26** on “**Sequential Test and Impact Assessment**” sets an impact threshold of 350 sqm as shown below:

Figure 2.6: DM Policy 26: Sequential Test and Impact Assessment

DM Policy 26 Sequential Test and Impact Assessment

Proposals for retail development which are not located within the Primary Shopping Areas or for other 'main town centre uses' which are not located within the boundaries of Dover, Deal or Sandwich Town Centres (as set out on the policies map) and are not supported by other policies in this plan, will only be permitted if all of the following criteria can be met:

- 1 A sequential assessment has been carried out that demonstrates that no suitable sites are available, firstly in the primary shopping area for retail, or the town centre boundary for other town centre uses, then edge of centre locations. Only if no sites are available in these locations should out of centre locations be considered. Preference will be given to sites that are well connected to a town centre; and
- 2 The proposal, either by itself or in combination with other committed development proposals, will not have a significant adverse impact on investment of the vitality and viability of a town centre, or any significant adverse impact upon the town centres can adequately be mitigated. Proposals for retail development which are greater than 350sqm, will be required to carry out an impact assessment. Other main town centre uses will be required to carry out impact assessments in line with the requirements of the NPPF.

Source: <https://www.doverdistrictlocalplan.co.uk/uploads/pdfs/dover-district-draft-local-plan-regulation-18-document.pdf>; Page 137.

2.27 Furthermore that in Local Centres new individual stores which do not exceed 280 sqm will be supported as detailed in **DM Policy 27** on “**Local Centres**” as shown below:

⁴ Planning Practice Guidance. Paragraph: 015. Reference ID: 2b-015-20190722

Figure 2.7: DM Policy 27: Local Centres

DM Policy 27 Local Centres

The Council will protect individual convenience shops outside designated centres from being ancillary to another use (such as petrol stations). Proposals for a change of use will only be supported where:

- The retail unit is vacant; and it can be clearly demonstrated through evidence of vacant premises and realistic marketing over a period of at least 12 months that there is a lack of demand for the first instance an alternative convenience shop and then alternatively any other Class E class use in that location; or
- Alternative convenience retail provision is available within an 800m walking distance (straight line distance); or
- The replacement land use offers compelling benefits which outweigh the loss of the convenience shop.

New individual small convenience shops, which do not exceed 280 sqm gross, where proposals demonstrate they serve the local population and are of a scale

Source: <https://www.doverdistrictlocalplan.co.uk/uploads/pdfs/dover-district-draft-local-plan-regulation-18-document.pdf>, Page 138.

2.28 For the District we advise that a harmonised impact threshold of **280 sqm gross** would be more appropriate and robust for assessing the impacts of any proposed retail/leisure developments outside of defined centres in accordance with paragraph 90 of the NPPF. The justification and evidence to support this lower impact threshold is set out below:

- whilst no new health checks for the District's main centres have been undertaken as part of this update, the latest Experian Goad data (see below) shows the average size of comparison goods units range from 104 sqm to 283 sqm, with an overall average unit size of 171 sqm. For convenience goods the average unit size is higher at 306 sqm; ranging from, 285 sqm in Sandwich; 302 sqm in Deal to 330sqm in Dover. This average unit size will also be typical to the District's smaller local centres.

Table 2.1: Average Size of Comparison and Convenience Outlets by Centre (sqm gross)

Centre	Comparison			Convenience		
	Total Floorspace (sqm gross)	Outlets	Average Outlet Size (sqm gross)	Total Floorspace (sqm gross)	Outlets	Average Outlet Size (sqm gross)
Dover	22,659	80	283	10,544	32	330
Deal	11,576	91	127	7,562	25	302
Sandwich	3,939	38	104	1,997	7	285
Average Outlet Size (sqm gross)			171	306		

Source: Experian Goad Category Reports (2021)

- the growth in internet shopping is having a significant impact on the way households choose to buy food and non-food goods, which in turn is impacting upon retailer business and operating models. This should be considered alongside the long-term impacts of out-of-centre stores, shopping and leisure facilities on town centres. These impacts are probably best illustrated by the changes in the grocery sector over the last

decade. Following a sustained period of growth over almost 20 years up to 2010, principally driven by new larger format superstore openings, the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) have effectively scrapped their superstore expansion programmes to focus on growing their market shares via online sales and opening smaller convenience stores (i.e. Sainsbury's Local, Tesco Express, Little Waitrose, etc.). Although sizes vary from location-to-location, the main grocers are promoting smaller convenience stores with a minimum gross floorspace of between 280 sqm and 372 sqm (circa 3,000 - 4,000 sqft).

- the updated District-wide capacity assessment for new retail (convenience and comparison goods) floorspace, focussing on the next five to ten years in accordance with the advice set out in the NPPF and PPG, but also taking the lifetime of the plan into account shows no capacity for new retail floorspace over the period to 2030, or over the lifetime of the plan to 2040. It is therefore critical to ensure that any planned or proposed investment in the District's centres and growth areas is not harmed by proposals for new floorspace of varying scale and use outside these areas and existing centres.
- the 280 sqm gross floorspace figure is also significant, as stores below this threshold are exempt from Sunday trading restrictions. In brief, the Sunday Trading Act defines a 'large shop' as generally being over 280 sqm. It is the Government's intention through this Act to protect smaller, independent stores which are perceived to be financially weaker and therefore require protection from unfair competition from the major supermarket operators. In general terms therefore it follows that proposals for retail floorspace over 280 sqm gross are unlikely to be a purely local facility and will have the ability to draw trade from outside of their immediate local catchment with potential consequent impacts on existing stores and centres. For example, in circumstances where convenience stores are proposed on the edge or outside of centres, often as part of petrol filling stations or conversions of public houses, they can have a significant adverse impact on the trading performance, vitality and viability of smaller district and local centres nearby. This will particularly be the case where these existing centres are dependent on smaller supermarkets and/or convenience stores to anchor their retail offer, and to generate footfall and linked trips/expenditure to the benefit of other shops, services and facilities. In some cases post office counters can also form an integral part of the convenience store offer and attraction in smaller centres, and their future operation could therefore also be jeopardised by new convenience stores opening outside of centres.

REVIEW OF CENTRE HIERARCHY

2.29 As detailed in **Volume 1, Section 2**, the draft Local (Regulation 18) Plan sets out the centre hierarchy for the District as follows:

Secondary Regional Centre	Town Centre's	District Centre	Local and Village Centres	
> Dover	> Deal > Sandwich	>Aylesham	Local Centres > Eastry > Wingham > Ash > Shepherdswell > St Margarets at Cliffe > Eythorne > Elvington	Village Centres > Kingsdown > Capel-le-Ferne > Lydden > Preston > Worth > Northbourne > Alkham > Goodnestone > Ripple > East Langdon

Source: <https://www.doverdistrictlocalplan.co.uk/uploads/pdfs/dover-district-draft-local-plan-regulation-18-document.pdf> ; Page(s)125 & 196.

2.30 We have considered whether there is a need to adjust the position of the District's principal centres to take account of key findings from previous stages of the study. We do not consider that any changes are required to the current hierarchy, with the exception of allowing for the allocation of new local centres that may form part of emerging housing allocations (e.g. Whitfield) when developed. Aylesham should be retained as a district centre reflecting the limited size of the centre and range of offer. It should be made clear that the categories of Secondary Regional Centre; Town Centre's; District Centre and Local Centre) are considered as town centres in NPPF terms. There also no need to designate additional centres at present.

2.31 The strategic Whitfield Urban Expansion which has the potential for the delivery of 5,750 homes (as per **Policy CP11** of the Core Strategy 2010) and potentially an additional 600 homes (as per **Strategic Policy 4** of the draft Local (Regulation 18) Plan) that will be supported by "*transport, education, primary health and social care, utility services and green infrastructure together with retail, leisure and employment uses*" (under **Strategic Policy 4** of the draft Local (Regulation 18) Plan). We would recommend that for a sustainable allocation, and considering the scale of housing, some commercial provision will be warranted. However, any new provision should be focused both in terms of location and scale in meeting the day-to-day needs of local residents. The main provision will be in Dover town centre which is planned to be connected sustainably to Whitfield through the Dover Fastrack system. The overall principle of sustainable commercial provision meeting the day-to-day needs of local residents should be applied to all such allocations.

Local and Village Centres

2.32 The NPPF glossary is clear that that it is not appropriate for small parades of shops of purely neighbourhood significance to be included within the hierarchy.

2.33 Hence, these types of centres principally serve localised catchments and provide a more limited range of retail uses and services and therefore do not need to be designated. This is not to suggest that they are not of importance to the wellbeing of local communities, but that it would not be appropriate to necessarily protect them as part of the retail hierarchy. This is recognised by the NPPF which states under the broad heading of '*Promoting healthy and safe communities*', inter alia, that:

To provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should (inter alia):

c) guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;

d) ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community (Paragraph 93).

2.34 This is broadly reflected in the draft Local (Regulation 18) Plan under paragraph 8.24 that states "*the District has a number of local and village centres which serve the day to day needs of local communities. In order to properly serve their convenience function, it is important that local and village centres retain a good range of shops*". Furthermore, **DM Policy 27** on "**Local Centres**" states inter alia "*The Council will protect individual convenience shops outside designated centres ... New individual small convenience shops, which do not exceed 280 sqm gross, will be supported where proposals demonstrate they serve the local population and are of a scale appropriate to the particular centre*".

Summary

2.35 The pertinent policies in the context of this update relate to:

- **Strategic Policy 11** on "**Dover Town Centre**";
- **Strategic Policy 12** on "**Deal and Sandwich Town Centres**";
- **Development Management Policy 25** on "**Primary Shopping Areas**"; and
- **Development Management Policy 26** on "**Sequential Test and Impact Assessment**".

2.36 The implications and changes resulting from the current findings on these policies are:

- growth in the future will not necessarily be led by the retail sector;
- future growth will be predominantly market led;

-
- future growth will be characterised by qualitative enhancements and improvements to the existing offer and the need for flexibility;
 - more mixed use to dominate centre provision; and
 - there will be potential for active Council led intervention for longer terms benefits and growth of its centres.

2.37 We therefore conclude in this case based on the evidence that it is reasonable for the Council to set a local impact test threshold of 280 sqm gross for retail and leisure proposals for edge and out-of-centre locations (consistent with NPPF para 90). In our judgement this clear and simplified approach represents a reasonable impact threshold for undertaking impact tests that are proportionate to the nature and scale of proposals as it will provide sufficient flexibility on a case-by-case basis to assess the merits and implications of proposals that could potentially have significant implications for the vitality and viability of, and delivery of new or extended floorspace in, these existing centres. We also advise that this threshold should be applied, where relevant, e.g. to change of use applications and applications seeking variations of conditions.

2.38 No changes are recommended to the centre boundaries as detailed in the draft Local (Regulation 18) Plan.

2.39 We do not consider that any changes are required to the current hierarchy, with the exception of allowing for the allocation of new local centres that will form part of any emerging housing allocations.

3. Future Strategy

- 3.1 This section provides a summary of the key findings of the update relevant to plan-making and decision-taking in the DDC area and its centres. It summarises the key findings and sets out high-level advice on how the Council can effectively plan for, manage and promote the vitality and viability of its centres over the period to 2040, which can be delivered by the draft Local (Regulation 18) Plan as well as any centre-specific strategies and projects.
- 3.2 This update has been prepared in the context of national and development plan policy guidance, as well as other key material considerations. This includes the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG), which place weight on the development of positive plan-led visions and strategies for town centres, and promote new investment and development in town centres first ahead of edge and out-of-centre locations.

COVID-19: POTENTIAL IMPLICATIONS

- 3.3 Since the 2018 RTCNA, town centres have continued to face a myriad of challenges. Centres now need to embrace the new dynamic and build in resilience to adapt seamlessly to future changes in shopping habits, which are likely to move away from solely being retail led locations to those which offer a wider range of retail, leisure, cultural and other amenities.
- 3.4 The growth in online shopping, the long-term attraction of larger format and cheaper retail space in out of centre locations, and increasingly fragile retailer, investor and business confidence is affecting the vitality and viability of centres.
- 3.5 COVID-19 has created a perfect storm that is bearing down on town centres. The resulting challenge for DDC is to manage and promote the future of current centres when retail is no longer the key driver of their vitality and viability.
- 3.6 In the context of the pandemic, it is also expected that this will lead to a structural shift in shopper habits as consumers try to respond to the new normal. While some well-known retailers will disappear as a result of the current crisis, the high street itself will not 'die'. The UK retail sector may be profoundly changed, but the hastening of trends such as migration to town centres and demand for new retail experiences may ultimately breathe new life into high streets. LSH anticipates that the trends that are likely to emerge include:
- **Survival of the fittest retailers** - Retailers that survive the crisis may find that their market positions are strengthened, as some of their competition disappears. Those in the best position to prosper may include strong high street names with a good mix of online and in-store operations. Local independent and artisan retailers may also be able to prosper by tapping into consumer demand for new retail experiences.

-
- **Accelerated retail to residential conversions** - With new housing delivery high on the UK government's agenda, some landlords and developers may take the opportunity to ramp up plans to re-purpose struggling retail properties into residential units.
 - **From goods provision to services provision** - With town centre populations increasing due to retail-to-residential conversions, demand will grow for a wider range of high street amenities to serve local communities such as education, healthcare facilities, dentists, hairdressers and beauticians.
 - **Enhanced retail experiences** - the onus will be on physical retailers to attract consumers back to the high street with unique experiences that cannot be replicated online or at home. This may encourage the growth of pop-up shops, independent eateries and experiential retailers and local authorities may need to allocate resources to de-clone high streets in the post-pandemic world.
 - **Growing need for local retail provision** - Smaller walkable local and neighbourhood centres serving local communities may ultimately benefit from the changing geography of retail demand.
 - **Technology** - Centres will have to become 'smart' and make use of technology so that they are aligned with how customers shop and engage with brands. Flexibility and innovation will be essential if the high street is to remain relevant for consumers. Providing free Wi-Fi and online promotions to attract shoppers, tracking footfall and developing new high street apps and town websites will be essential. It means town centre shops will be able to better understand the needs of their customers that will help them tweak their opening times, offer digital promotions to encourage people in at quieter times. This will help towns understand their strengths, support community activities, help and aid businesses and bring a fresh vibrancy.

REFORM OF USE CLASSES ORDER & PERMITTED DEVELOPMENT RIGHTS

- 3.7 The Government has issued a series of reforms to the planning system since the 2018 RTCNA. The reforms principally relate to Permitted Development Rights (PDR) and the Use Classes Order (UCO)⁵, alongside the Government's White Paper "*Planning for the Future*" (published in August 2020) and the 2021 *Planning Reform Bill*.
- 3.8 The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary 'commercial' area to be the foci for E and F Classes. Also, in most instances the former use classes can be 'translated' into the equivalent

⁵ The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020/757 was laid before Parliament on 21st July 2020 and amended the Town and Country Planning (Use Classes) Order 1987.

categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions.

- 3.9 The changes have implications for the former designations of primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO.
- 3.10 Hence beyond 2021, town centres are likely consolidate their retail and shopping role with more emphasis on place and non-transaction uses, this could include high activity based land uses such as health, education being located in more central locations and stem previous trends of decentralisation.
- 3.11 The increase in 'city' living and residential development in town centres is likely to be a growth area in the next 10 years and could be a positive regenerative mandate. A more concerted consideration of the potential for new residential provision within centres, particularly as part of mixed-uses. We also expect more emphasis on residential upper floor living accompanying ground floor commercial uses. This will build on existing strategies such in the as draft Local (Regulation 18) Plan which contracts the Primary Shopping Area in Dover and encourages complementary uses, particularly residential in its shopping core; and the need for planning 'flexibility' to capture future investment.
- 3.12 Permitted Development Changes (Amendment No. 2) (2020) released in August 2020⁶, introduced Class AA and AB that allows new residential on detached or terrace buildings in commercial or mixed use areas. This could potentially lead to the loss of commercial floorspace to residential.
- 3.13 Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force on 21 April 2021 creates a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential. The changes within the Order have effect from 1 August 2021 and will authorise a change in the permitted use of a property or land from a use falling with Use Class E to Use Class C3 residential use where the property has:
- been in Class E use for 2 years (including time in former uses i.e. A1, A2, A3, B1, D1 or D2 now within that Class); and
 - has been vacant for at least 3 continuous months.

⁶ The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020.

- 3.14 These changes will replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of the right is subject to prior approval by the local planning authority and therefore would be subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues. The area that can be converted is capped, with a maximum size limit of 1,500 sqm of floorspace capable of conversion using the right.
- 3.15 The implications arising from these changes result in more flexibility and are likely to be focussed in the peripheral parts of existing town centres, reflecting the influence of land values, but the outcomes are unclear, particularly the likely scale of increased residential and loss of commercial space and this should be investigated and monitored further. In strategic terms, and especially for the future of town centres, the PDR deregulation is likely to add to the already high levels of uncertainty surrounding their future composition.

ARTICLE 4 DIRECTIONS

- 3.16 As detailed in **Volume 1** of this update, the latest revision to the NPPF has tightened the rules and restricts the ability of local authorities to secure Article 4 directions (A4Ds). The revised version of the NPPF (paragraph 53) tightens this scope in relation to changes of use from commercial to residential, stating that such directions should be used where they are "*essential to avoid wholly unacceptable adverse impacts*". These impacts "*could include loss of the essential core of a primary shopping area*", thereby "*seriously undermining its vitality and viability*". However, the paragraph contains the caveat that such a direction would be "*very unlikely to extend to the whole of a town centre*".
- 3.17 Based on the above, the Council should be mindful of the following in considering the use of A4Ds:
- it will be difficult to restrict the use of PD rights using A4Ds;
 - restriction is likely to be more difficult for residential PD rights than non-residential, but in all cases "robust evidence" will be needed to justify their use;
 - there is a high bar set, and the scope of any A4D which is used must be limited geographically to the smallest area possible as opposed to an entire area being covered by an A4D; and
 - in terms of this area, the Council will need to be clear with targeted evidence to show why PD rights need to be restricted e.g. loss of employment space; preserving community uses or protecting a historic area / amenity.

RETAIL NEEDS ASSESSMENT

- 3.18 The overall need for new (convenience and comparison goods) retail floorspace in the District over the period to 2040 is informed by LSH's CREAT^e Capacity Model.

-
- 3.19 The retail capacity assessment is underpinned by robust evidence and forecasts; it assumes that the retail market is in 'equilibrium' at the base year (2021) and that market shares remain constant over the study period.
- 3.20 The assessment shows there is **no** economic capacity for new convenience or comparison goods over the forecast period to 2040 after accounting for all known commitments.
- 3.21 There is therefore no identified need. This is compounded by the fact that the impact of the COVID-19 is yet to be fully realised and there are extant commitments and vacancies within the District's centres. On this basis, any future investment should be directed to town centres to ensure their continued vitality and viability.
- 3.22 The Council should be mindful that capacity forecasts beyond five years should be interpreted with caution. This is because they are based on various layers of assumptions and forecasts with regard to changes in the national and local economy; the trading performance of existing centres and stores; the growth in population and retail spending; etc. The Council should therefore take into account these margins for error when assessing the need for new retail floorspace over the medium term (5-10 years) and long and ultra-long term (10 years plus).
- 3.23 As this assessment represents a partial update, we would further recommend the Council undertakes an up to date assessment of market shares for its centres by way of an update to its Household Telephone Interview Survey (HTIS) at the earliest available opportunity as consumer behaviour patterns settle in the post-pandemic period.

LEISURE NEEDS / GAP ASSESSMENT

- 3.24 The update has assessed the need for new commercial leisure uses and the 'gaps' in provision. As with the retail, the leisure sector is facing significant challenges and pressures from changes in the economy, policy and consumer trends. On this basis whilst there is the prospect of growth based on demand across the food and beverage sector (F&B), we recommend that the Council review and refresh this assessment when more normal conditions return.
- 3.25 In relation to the F&B sector and based on the available evidence there is the potential for circa. 22 F&B outlets by 2040. This does not preclude qualitative improvements or commercial market led operations being focused in the centres defined in the District. However, not all of the available spend growth will be available to support new F&B businesses. As detailed previously this is a sector that has been hit hard prior to, and even more so, during the pandemic and the broader macro-economic position will also influence discretionary leisure spending. Any forecast need should be directed to the town centres first, and, to help increase competition and consumer choice, and to underpin both daytime/evening economies. In most cases the forecast need and any market demand

from operators will likely to be satisfied by the take-up of suitable vacant units in existing centres, the repurposing of floorspace and/or as part of mixed use developments.

- 3.26 In relation to the Cinema sector, whilst there is no identified quantitative capacity within the District area overall, cinema operators are expanding their venue portfolios into regional towns. If commercial demand comes forward, this should be directed to strategic and town centres first in accordance with national and local policy objectives.
- 3.27 The golfing heritage of Sandwich is an important contributor to the District's visitor economy. It is recognised that golf and associated sports tourism will be a growing area of development that will contribute to further golf tournaments and maximise the marketing and promotional opportunities for the District.

DOVER TOWN CENTRE

- 3.28 Dover has, and continues to, benefit from investment and regeneration initiatives with notable examples since the 2018 RTCNA being:
- Completion of St. James Retail and Leisure Park;
 - Dover Fastrack approval;
 - Dover Market Square and Coastal Communities Funding;
 - Future High Streets Funding for Bench Street creative space and Reimagining the Townwall Street/A20 Subway;
 - Maison Dieu restoration; and
 - Future proposals include: a proposed 4*+ Hotel (Former Co-op, Stembrook); Cable Car (between Dover Castle and the town centre); Dover Waterfront transformation.
- 3.29 These are important initiatives and indicators to the future direction of Dover that underpin the overarching vision provided in the draft Local (Regulation 18) Plan which states *“Dover town will be thriving, with a strong core of local shops and services, a flourishing port, and regenerated areas of existing housing. Sensitive restoration of elements of its rich heritage, will enhance the attractiveness of the town, while improved connections to its seafront will have been delivered by high quality design and investment in place making”*.
- 3.30 The initiatives are important as the latest data from Experian GOAD indicates some 65 vacant units in Dover Town Centre equivalent to a vacancy level of almost 19% and is above the national average figure of 14%. This means that up to a fifth of the floorspace is not in economic use. It is also an indication of potential overprovision and the need for consolidation and managing change of the retail core area.
- 3.31 The vacancies also represent a potential for regeneration through direct intervention by DDC. This will be necessary to repurpose the centre to make it fit for purpose for the future. On this basis future growth is likely to be based on the Primary Shopping Area as

defined within the draft Local (Regulation 18) Plan with qualitative improvements to the remainder and where non-retail uses will define its future role and purpose.

3.32 Drawing on the findings of the 2018 RTCNA Healthcheck assessment for Dover the key strengths are stated as:

- Historic centre with strong maritime and military heritage.
- Diverse mix of multiple and independent operators.
- Number of key national multiple anchor tenants
- Strong provision of service outlets with particular strengths lying within the financial and leisure services.
- Highly accessible with good local road, rail and bus network with additional linkages internationally via the Port Terminal.
- Regular street market enhancing diversity of offer.
- Good parking provision.

3.33 Following the strengths the suggested opportunities from the 2018 RTCNA that remain valid include (inter alia):

- A centre that is identified for inward investment and employment (St. James', Dover Waterfront et al) as well as housing growth.
- Develop strong leadership for town centre initiatives by way of a town centre manager.
- Develop clear links from Market Square to the Dover Discovery Centre, St James' and the Waterfront.
- The combined transformation of the town centre and Waterfront provides the opportunity to create a destination point to retain and enhance expenditure.
- Key potential development sites earmarked for development (e.g. Dover Waterfront).
- Creating complementary offer between the town centre and Waterfront area to enhance visitation, footfall and linkages.
- Improvement at the Waterfront area to create more retail and leisure opportunities.
- Build on the repositioning of town centre based on new investment.
- Branding the retail core to attract both locals and visitors.
- Promote growth of independent high order shops.
- Better signage to link various parts of the town centre.
- Additional promotion of street markets to attract both locals and visitors.
- Organise seasonal events to invigorate retail all year round utilising a number of key drivers including the street market and the new development at St. James.
- Promote town centre to visitors at the Port and orientate tourism visits and associated footfall to town centre.
- Capitalise on its historic and maritime heritage and landscape setting by way of co-ordinating marketing initiatives and in directing the flow of visitors from the Port area.

3.34 Taking all of the above into consideration, it remains that Dover is highly accessible and connected with a diverse provision of retail and commercial offer. The centre now has distinct areas of retail and new leisure activity (such as the St. James Retail and Leisure Park) that contribute to the vibrancy of the centre. These elements represent strengths. However, in the post-COVID-19 world, and to remain viable will require proactive and continuous Council intervention. The immediate aftermath will be to support the recovery and existing businesses that have survived through initiatives such as relief on business rates. However, the challenge will be over the longer term where there will be a greater urgency in the need to diversify town centre offer and promote flexibility uses in line with the broader vision for the centre. Inevitably as the retail sector consolidates there is likely to be a further increase in the level of town centre vacancies. On this the Council cannot rely on market demand and the will need to consider a place shaping agenda including taking ownership through investment in vacant space. The potential benefit of this approach is to provide more control of the planning, regeneration and management of the town centre especially as the PDR deregulation has resulted in more flexibility between uses. Place shaping will be important so as to include high footfall activity based land uses such as health, education and residential development. The downturn in retail has created void space that could be repurposed to create new community hubs and workspaces. As part of this place shaping matrix consideration of the Waterfront and its relationship with the town centre will be important and it is recommended that any development should be complementary supporting both the day and night economy of the centre.

3.35 The future strategy for the town centre should particularly focus the following inter-related themes:

- **Vacancy Monitoring:** To identify regeneration opportunities as well as proactive engagement with landlords, investors and developers.
- **Repurposing and Curating Space:** The Council will need to plan for repurposing of space potentially through provision of high footfall activity (residential, education, health, flexible workspace etc). We also recommend that an easy win on this front would be to bring back Council services in to the town centre.
- **Growth in Residential Space** - Increased town centre residential will provide a captive population and regular footfall for activity and commerce in the centre.
- **Place Shaping** - to ensure that any arising regeneration opportunities within the town are proactively acted upon so that they aim generate additional interest, sense of place and footfall to the centre. Similarly future opportunities on the Waterfront should complement the town centre economy. The Council also needs to consider long-term social and environmental needs as in the foreseeable future we are moving towards a hybrid way of working and this provides a significant opportunity to improve the

experience and choice for town centre users, In place shaping regard should be placed on the town centre of the future and in creating an attractive environment with appropriate green spaces and public realm that create the right environment to repopulate the centre.

DEAL TOWN CENTRE

- 3.36 Deal has fared reasonably well over the course of the pandemic with the latest Experian GOAD data showing a vacancy rate of 4% against the national average of 14%. The resilience shown over the pandemic period is reflective of the diversity in its offer (good level of independent provision and national multiples together with its street markets), local patronage as well as the centre's compact nature and historic pattern. As a tourist destination the rise in staycations and domestic tourism has also contributed to the centre's performance.
- 3.37 The pattern of better performance was also noted in the 2018 RTCNA where the centre registered a then low vacancy rate of 5.8%. In 2018 the strengths, which are still of relevance to this update, include:
- Good range of shopping and leisure facilities typically found in a centre of its size and position within the retail hierarchy.
 - Low vacancy rate.
 - Strong and varied convenience provision.
 - Representation by major retailers.
 - Strong multiple offer supplemented by a high number of independent stores giving centre character and diversity.
 - Deal has three street markets providing a point of interest establishing a unique character.
 - Good environmental quality.
 - Good level of accessibility and well connected to road and rail network.
 - Good service and leisure offer.
- 3.38 The suggested improvements from the 2018 RTCNA that remain valid and require further action include (inter alia):
- Promotion as a family and tourist leisure destination.
 - Attract more food & beverage multiples with a family appeal.
 - Improve connectivity between the town centre and seafront.
 - Improve signage to beach.
 - Support specialty markets and organise seasonal events to invigorate retail all year around.
 - Independent traders working together.

-
- A town or partnership manager.
 - Capitalise on its historic heritage including Deal Castle, Deal Maritime and Local History Museum and the Timeball Tower Museum.

3.39 It is noted that since the 2018 RTCNA, the centre has benefitted from an art and culture focus with investment in the Deal Pier Apron and there are plans for cycle friendly routes to the centre. The centre is also on the path to capitalise on its tourism potential as part of the Destination White Cliffs Country Strategy. Any future strategy should aim to encourage and support existing businesses across the centre. In addition, a further aim would be to enhance further the environment quality particularly, street furniture and improvements to the public realm.

SANDWICH TOWN CENTRE

3.40 Sandwich Town Centre is historic with a large number of listed buildings. The centre serves its local resident catchment population, as well as visitors and tourists to the area. The centre registered a vacancy rate of 13.5% in 2021 which is higher than the 5.4% recorded in the 2018 RTCNA.

3.41 The 2018 RTCNA detailed the following strengths for the centre and which remain valid as part of this update:

- Historic centre with medieval heritage.
- Key visitor attraction.
- Key golfing location of repute.
- Varied convenience provision.
- Good and complementary mix of multiple and independent retailers
- Independent retailers contributing to the centre's uniqueness and diversity.
- Good environmental quality.
- Good level of accessibility and well connected to road and rail network
- Good level of service provision.
- Well used street markets.
- A well connected centre.

3.42 Furthermore the opportunities that were put forward included:

- Promotion of the town centre during golfing tournaments.
- Support and promote markets activity and organise seasonal events to invigorate retail all year around.
- Promote markets as part of tourist offer.
- Capitalise on tourism spend associated with the centre's historic medieval heritage.
- Update street furniture and promote planting and green space provision across the centre.

-
- Improve a parking for tourist coaches.

3.43 In broad terms the centre is currently meeting the needs of its local catchment. The centre is well connected and draws on patronage from the adjacent residential catchment areas as well as those from further afield by bus, train and car. In July 2021, it hosted 'The 149th Open' at Royal St George's - the only golfing major held outside the United States. This raised the profile for the centre locally, nationally and internationally. In addition, the centre has recently seen investment in the reimagining of the Guildhall Forecourt and the Sandwich Quay creating an important cultural and visitor focus.

3.44 Any future strategy for Sandwich will be to monitor vacancies and regeneration opportunities as well as supporting existing businesses and any improvements to the public realm. The tourism potential that is based on the centre's medieval, golf and maritime heritage should also be proactively promoted as part of the Destination White Cliffs Country Tourism Strategy.

PRIMARY SHOPPING AREA AND TOWN CENTRE BOUNDARIES

3.45 Drawing on the evidence and key findings of this study, the following sets out our judgements and advice on the definition of appropriate and robust boundaries for the District's main centres as defined in the draft Local (Regulation 18) Plan:

- **Dover** - PSA for Dover Town Centre is situated around Cannon Street, Biggin Street and the St. James Retail and Leisure Park. The compaction of the town centre boundary is recommended as it will enable DDC to capitalise on town centre focused initiatives, such as mixed use development, that can take place in the core of the centre thereby enhance its vitality and viability.
- **Deal** - We consider the current PSA designation to be correct considering the concentration of retail units along the intersection with High Street and Oak Street. The Town Centre Boundary extension that includes Deal Town Hall and Union Road Car Park is also appropriate considering the range and mix of town centre uses incorporated within this boundary. There is the prospect for further consolidation of the Town Centre Boundary to the north of the PSA to align closely with the commercial provision.
- **Sandwich** - We consider the current PSA designation and Town Centre boundary as appropriate.

