Harrogate District Local Plan
Retail Background Paper

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TABLES

1 INTRODUCTION

1.1 This paper has been prepared by Peter Brett Associates ('PBA') on behalf of Harrogate Borough Council ('HBC'). It supports the forthcoming examination of the emerging Harrogate District Local Plan and provides additional context in respect of HBC's retail evidence base.

1.2 PBA previously prepared the Harrogate Retail Study of 2014, which was updated in 2016. The 2016 update provided a revised assessment of quantitative needs for retail floorspace within the District based on the latest forecasts of population and expenditure growth available at that time.

1.3 This paper considers the robustness of the findings of the 2016 report, the proposals set out within the emerging Harrogate District Local Plan, and opportunities to meet identified retail needs over the plan period. In Section 2 we summarise the findings of PBA's previous work and provide comment on current needs for additional retail floorspace. In Section 3 we discuss the proposals set out within the emerging Harrogate District Local Plan, review commitments that have arisen since the time of the 2016 report and opportunities to meet current quantitative retail needs. A summary of our findings is provided at Section 4 of this paper.

2 RETAIL NEEDS IN HARROGATE DISTRICT

2.1 The Harrogate Retail Study Update was finalised in December 2016 and set out updated requirements for convenience and comparison retail floorspace over the period 2016 to 2026.

2.2 The 2016 report included updated data inputs in respect of estimated population growth, per capita expenditure growth, 'special forms of trading' such as online shopping, and commitments for new retail development. The findings of the household telephone survey undertaken to support the Harrogate Retail Study of 2014 were used as part of our updated assessment. It is considered that the household telephone survey continues to provide a reasonable representation of shopping patterns within the District and beyond, and we set out below the main findings of the 2016 report.

Comparison Goods Floorspace Requirements

2.3 Table 2.1 below sets out the comparison goods floorspace requirements identified by the 2016 report over the remainder of the study period to 2026. In the short-term period to 2021, it was anticipated that there would be no requirement for additional comparison retail floorspace, with a negative capacity figure due to relatively low rates of expenditure growth, rising market shares for SFT and assuming the delivery of committed retail developments that existed at that time. However, between 2021 and 2026 there was an identified requirement for over 9,000 sq. m of additional comparison retail sales floorspace, meaning that over the study period to 2026 there would be a total requirement of approximately 3,800 sq. m sales area.

Table 2.1 Summary of Comparison Floorspace Requirements

	2016 21 (sq.m sales area)	2021 26 (sq.m sales area)	Total 2016 26 (sq.m sales area)
Floorspace Requirement	-5,685	9,465	3,779

2.4 Since the time of the 2016 update, revised expenditure growth forecasts have been published within Experian's Retail Planner Briefing Note (RPBN) 15 of December 2017. For comparison retail expenditure, we had previously applied a per capita growth rate of 2.3 per cent per annum in the period to 2020 and 3.1 per cent per annum in the period 2021 to 2026. The most recent forecasts contained in RPBN 15 show an average comparison retail expenditure growth rate of 2.7 per cent per annum in the period to 2020 and 3.2 per cent in the period 2021 to 2026.

2.5 In terms of special forms of trading (SFT), the 2016 report adopted overall market shares for comparison goods of 20.8 per cent in 2021 and 21.5 per cent in 2026, which represented only minor changes from the 2014 Retail Study. RPBN 15 now estimates equivalent figures of 22.5 per cent in 2021 and 23.4 per cent in 2026. Whilst these figures are higher than those adopted in the 2016 report, we note that the impact of this would be to reduce the amount of comparison retail expenditure available to support the development of new floorspace and is therefore likely to balance the increase in overall comparison retail expenditure growth rates that are estimated by RPBN 15.

2.6 It is therefore considered that the estimated comparison retail floorspace requirements identified within the 2016 report continue to provide a robust basis for determining quantitative comparison retail needs within the District over the period to 2026. Changes to committed comparison retail floorspace are discussed further in Section 3.

Convenience Goods Floorspace Requirements

2.7 Table 2.2 below sets out the quantitative convenience goods floorspace requirements identified by our 2016 report for the period to 2026. As can be seen from Table 2.2, no floorspace requirements were identified in the period to 2021 with modest requirements in the period 2021-2026. Over the study period to 2026 the total floorspace requirement remained negative, mainly due to low or negative expenditure growth rates, the claims of planning commitments on expenditure capacity and rising market shares for SFT. This conclusion reflected the findings of the 2014 Retail Study, which also found no capacity for convenience goods floorspace over the study period.

Table 2.2 Summary of Convenience Floorspace Requirements

	2016 21 (sq.m sales area)	2021 26 (sq.m sales area)	Total 2016 26 (sq.m sales area)
Floorspace Requirement	-1,883	462	-1,421

2.8 The 2016 report was based on per capita convenience retail expenditure growth rates of -0.2 per cent per annum in the period to 2020 and 0 per cent per annum in the period 2021 to 2026. Based on figures within RPBN 15 we now estimate that average per capita convenience retail expenditure growth will be 0.06 per cent per annum in the period to 2020 and 0.1 per cent per annum in the period 2021 to 2026.

2.9 In terms of SFT, the 2016 report adopted convenience retail market shares of 13 per cent at 2021 and 15.4 per cent in 2026. RPBN 15 now estimates equivalent figures of 12.6 per cent in 2020 and 15.5 per cent in 2026. The lower short-term estimates of market share for convenience goods follow a trend evident at the time of the 2016 report and partly reflect the growing market shares of discount operators that provide limited online shopping facilities. However, these slightly reduced figures are unlikely to have any material impact on retail floorspace requirements, which would continue to be negative across the period to 2026.

2.10 As with comparison retail floorspace requirements, we consider that the quantitative convenience retail requirements identified as part of our 2016 report continue to provide a robust basis on which to determine quantitative needs within the District over the period to 2026. Changes to committed convenience retail floorspace are discussed further in Section 3.

Summary of Quantitative Needs

2.11 Based on the latest estimates of retail expenditure growth and SFT (such as online shopping), the retail floorspace requirements identified in the Harrogate Retail Study Update of 2016 are considered to continue to represent a robust basis on which to determine quantitative retail needs within the District in the period to 2026. On this basis, it is therefore considered that there is no quantitative requirement for additional convenience retail floorspace in the period to 2026. The negative capacity for convenience goods floorspace over the period to 2026 should be taken into account when considering the impact of any future proposals for additional convenience goods floorspace in out-of-centre locations.

2.12 In terms of quantitative needs for comparison retail floorspace, these are expected to remain within the order of 3,500 to 4,000 sq. m of sales area floorspace over the period to 2026. Since the time of the 2016 report, new retail commitments have come forward and they are discussed further in Section 3 of this paper, together with other opportunities to meet these needs.

2.13 The floorspace requirement figures identified here are guidelines only and do not represent maximum limits on the quantum of retail floorspace that can be developed in Harrogate in the period to 2026. Should proposals over and above the identified requirements come forward, then they will need to be assessed against the wider policies and objectives of the development plan and national planning policy.

3 MEETING IDENTIFIED NEEDS

Draft Harrogate District Local Plan

3.1 The draft Harrogate District Local Plan was published in January 2018. Retail and town centre issues are addressed within Chapter 4 of the draft plan and town centre redevelopment sites are shown on the emerging proposals maps. The following mixed-use development sites are identified within the town centres at Harrogate and Knaresborough:

- H37 – Land at Station Parade, Harrogate
- H63 – Dragon Road Car Park, Harrogate
- K17 – Former Cattle Market, Knaresborough

3.2 Policy DM3 of the draft Local Plan sets out further details in respect of the anticipated mix of uses at these sites. The sites at Dragon Road, Harrogate, and the former cattle market, Knaresborough, are proposed to be redeveloped for commercial and residential uses. However, land at Station Parade, Harrogate, provides a net site area of 0.48 ha and is expected to accommodate a mixture of offices, residential and retail uses. Work is currently underway on a masterplan that covers the wider station site.

3.3 In addition to the mixed-use sites within town centres, the draft Local Plan envisages some retail provision within the 'Green Hammerton/Cattal Broad Location for Growth' that is addressed by draft Policy DM4. Whilst the District Local Plan (Policy DM4) will provide the strategic policy context for development of a new settlement, the Council has started to undertake work on the preparation of a separate Development Plan Document ('DPD') to consider and define the detailed site boundaries and detailed planning principles of the new settlement. These include the provision of 'at least' 3,000 new homes, 5 ha of employment land and local centre(s) of a suitable scale to meet residents' day-to-day retail and service needs.

3.4 The scale of the local centres is yet to be defined but we would anticipate that retail provision here will be concentrated on the provision of convenience goods. The supporting text to draft Policy DM4 indicates that at least 1,000 homes are expected to be delivered within the new settlement by the end of the plan period in 2034/35. We would expect this to be accompanied by the delivery of at least one local centre that could be anchored by a modern convenience store of at least 350 sq. m and ancillary units for comparison retail and service uses.

New Retail Commitments

3.5 Since the time of the 2016 update of the Harrogate Retail Study, a number of new retail commitments have come forward that will reduce retail floorspace requirements over the period to 2026. The Borough Council has granted planning permission for the following developments:

- 16/02826/FULMAJ – Land off Rotary Way, Ripon. This scheme was approved in June 2018 and includes 1,486 sq. m gross of convenience retail floorspace and

1,695 sq. m gross of comparison retail floorspace. The equivalent retail sales areas identified within the application material are approximately 778 sq. m of convenience retail sales floorspace and up to 1,045 sq. m of comparison retail sales floorspace.

- 17/01199/FULMAJ – Chain Lane, Knaresborough. This scheme was approved in October 2017 and proposed the demolition of an existing Co-op store and erection of a new foodstore of 2,466 sq. m gross floorspace. The overall uplift in convenience retail sales floorspace associated with this development is expected to be approximately 154 sq. m.

3.6 We therefore estimate that these new commitments will in total provide approximately 932 sq. m of convenience retail sales floorspace and 1,045 sq. m of comparison retail floorspace.

Impact of Allocations and Commitments on Retail Floorspace Requirements

3.7 The commitments identified above will reduce the floorspace requirements identified within the 2016 update of the Harrogate Retail Study. Convenience retail floorspace requirements were already expected to be negative in the period to 2026 and so these additional commitments will ensure that quantitative retail needs are met in full over this part of the plan period. Localised convenience shopping needs associated with the new settlement at Green Hammerton/Cattal will be addressed through the forthcoming DPD.

3.8 In terms of quantitative requirements for additional comparison retail floorspace, the approved scheme at Rotary Way, Ripon, would, in broad terms, reduce the previously identified floorspace requirements to 2026 by around a quarter. We would expect the residual requirements of approximately 2,750 sq. m to be met through the development of allocated sites and windfall schemes in the main town centres of Harrogate, Ripon and Knaresborough. In addition, a small amount of comparison retail floorspace may also be provided as part of the development of local centres at Green Hammerton/Cattal.

3.9 The emerging masterplan for the Harrogate Station Gateway site (including proposed allocation H37) indicates that the Station Parade site will mainly be developed for improved public transport facilities and residential development. However, new retail facilities are expected to be delivered as part of improvements to the station and this could include several hundred sq. m of new retail floorspace. The emerging masterplan also identifies future investment opportunities in the nearby Beulah Street area, including opportunities to improve existing retail units.

3.10 In general terms, we consider there to be relatively strong market interest in retail development within the District, including within the town centres. This is demonstrated by recent investment, particularly in Harrogate Town Centre, and ongoing developer interest in the comparatively constrained site at Station Parade.

3.11 We also understand that a new planning application has been submitted in August 2018 for retail development at the Skipton Road site at Harrogate. This site previously benefited from planning permission for a large Tesco foodstore but Tesco subsequently withdraw its proposals as part of a general curtailing of its store expansion programme. This commitment was therefore removed as part of the 2016 report. It is understood that the new planning application proposes over 13,000 sq. m (gross) of new floorspace for bulky comparison goods and ancillary food and drink facilities.

4 SUMMARY

4.1 This paper provides an overview of quantitative retail requirements in Harrogate based on the Borough Council's existing evidence base. It finds that the relevant elements of the evidence base remain reasonably up-to-date and provide a robust basis on which to consider quantitative retail requirements within the District, at least up to 2026. Having regard to the latest published expenditure growth forecasts and estimated market shares for special forms of trading, it is not considered that the floorspace requirements will have changed substantially since the time of the Harrogate Retail Study Update of 2016.

4.2 In the period to 2016, there is no identified need for any additional convenience retail floorspace. Recent commitments at Knaresborough and Ripon have further added to the supply of convenience retail floorspace and, in the case of Knaresborough, they have helped to address qualitative needs. Qualitative needs for local shopping facilities at the Green Hammerton/Cattal new settlement (as proposed by Policy DM4 of the emerging Harrogate District Local Plan) will be addressed through the separate DPD that will be prepared by the Borough Council for that site.

4.3 In terms of comparison retail floorspace requirements, these are expected to be as identified by the 2016 report and in the order of 3,500 sq. m to 4,000 sq. m of additional sales area floorspace. Schemes granted planning permission since the time of the 2016 report, and in particular the approved development at Rotary Way, Ripon, will have reduced these requirements. In addition, there are opportunities to deliver additional floorspace at allocated sites and as part of windfall schemes within the District's main centres.

4.4 We recommend that quantitative retail needs should be kept under review and that needs in the post-2026 period should be addressed as part of future reviews of the emerging Harrogate District Local Plan.