

The Retail Planning Knowledge Base Briefing Paper 8

The Sequential Approach

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The Sequential Approach

The sequential approach is an integral part of Planning Policy Statement 6 (BoxA). The intention is that the sequential approach will promote town centre vitality and viability by focussing development in town centres.

Box A

Planning Policy Statement 6 and the Sequential Approach

c) Apply the Sequential Approach to Site Selection

- 2.44 A sequential approach should be applied in selecting appropriate sites for allocation within the centres where identified need is to be met. All options in the centre (including, where necessary, the extension of the centre) should be thoroughly assessed before less central sites are considered for development for main town centre uses. The sequential approach requires that locations are considered in the following order:
- first, locations in appropriate existing centres where suitable sites or buildings for conversion are, or are likely to become, available within the development plan document period, taking account of an appropriate scale of development in relation to the role and function of the centre; and then
 - edge-of-centre locations, with preference given to sites that are or will be well-connected to the centre; and then
 - out-of-centre sites, with preference given to sites which are or will be well served by a choice of means of transport and which are close to the centre and have a high likelihood of forming links with the centre.
- In considering alternative sites with similar locational characteristics in terms of the sequential approach, and having regard to the strategic objectives for the network and hierarchy of town centres set out in their development plan documents, local planning authorities should give weight to those locations that best serve the needs of deprived areas. The distance thresholds used in applying the sequential approach and for searching for appropriate sites will differ for different types of development (see Table 2, Annex A).
- 2.45 Local planning authorities should, in consultation with stakeholders (including the development industry) and the community, identify an appropriate range of sites to allow for the accommodation of the identified need. Flexibility and realism is required from both local planning authorities and developers and operators in discussing the identification of sites for inclusion in development plan documents. Local planning authorities should be sensitive to the needs of the community and stakeholders, including developers and operators, and identify sites that are, or are likely to become, available for development during the development plan document period and which will allow for the accommodation of the identified need, including sites capable of accommodating a range of business models. In planning terms, the factors that should be taken into account in considering business models are: scale, format, car parking provision and the scope for disaggregation. In turn, when proposing sites for inclusion in development plan documents, developers will need to be flexible and innovative, and should explore fully the possibility of fitting development onto more central sites (see also Paragraphs 3.16–3.18).
- 2.46 Local planning authorities should, where appropriate, include policies and proposals in development plan documents for the phasing and release of development sites over the development plan document period to ensure that those sites in preferred locations within centres are developed ahead of less central locations.
- 2.47 Guidance on applying the sequential approach will be published separately.

Source: ODPM, 2005

Background

The sequential approach was first mentioned in 1994 (House of Commons, 1994) and then became part of Planning Policy Guidance 6 in 1996. It continues as part of Planning Policy Statement 6 (PPS6), 2005.

The sequential approach establishes a sequence of site selection through the following preferred sequence of site development:

- town centres
- edge of centre
- out of centre*

* Scotland has an additional category 'other commercial centres' which are preferred to out of centre sites

Operation

Two particular operational issues were raised prior to PPS6:

- Could format be an acceptable reason for obtaining permission for a sequentially less preferable site?
- Could class of goods be an acceptable reason for obtaining permission for a sequentially less preferred site?

The response to these concerns was a set of ministerial statements tightening policy. PPS6 prescribed that the onus was on developers to demonstrate flexibility in their consideration of sites and formats.

It is agreed that the effect of PPG6/PPS6 is to have decreased out of centre development

Outstanding Issues

Some retailers have adjusted their developments to fit with the policy to a greater extent than others. Outstanding issues in respect of the sequential policy are:

- Some formats are incompatible with current policy
- Town centre sites are expensive to develop
- Town centre stores may not attract equivalent levels of custom to out of centre stores
- Multi-level stores are not always a satisfactory outcome
- Proving flexibility can be difficult
- Obtaining larger sites in town centres remains problematic
- Disaggregation of activities may be expensive
- Some preferred sites are sub-optimal
- Off centre retailing in neighbourhood centres remains an ambiguous but much debated case

Emerging Issues: Sequential versus Need

Publication of the Barker Review of Planning (2006) and the Planning White Paper (2007) along with the ongoing Competition Commission inquiry into the grocery sector have put the spotlight on retail planning and in particular the 'need test' (Findlay and Sparks, 2007) (Box B). The outcome has been to suggest that the sequential test is more important than the need test in fulfilling the aims of PPS6. Policy changes are to be considered by the Communities and Local Government Department. Change will also wait for the outcome of the Competition Commission inquiry. Concerns about the sequential/need interactions include:

- An edge of centre site would be preferable to an out of town site but all the need is taken up already by out of centre developments
- A store extension in a non-preferred sequential location might by fulfilling need requirements prevent a development in a preferable sequential site
- Edge of centre sites could be refused as need met by existing town centre retailers
- A lack of sites in town centres for a preferred business format might be a barrier to new entrants
- The sequential test is more robust in combination with the need test

Conclusions

The outstanding concerns over the sequential test in the context of PPS6 differ from the emerging issues being raised through suggestions that the need test could be abandoned. Box C demonstrates that the issues arising in a selection of recent cases more closely reflect outstanding concerns than emerging concerns. This disparity raises the further concern that new policy might not address the key issues worrying retailers and developers. The most recent comment by the new minister responsible for planning (Yvette Cooper, appointed June 2007) would suggest a possible new interpretation of the sequential role of edge of centre location ([British Council of Shopping Centres](#), 2007). This would be controversial.

Box B

Quotes demonstrating the direction of current thinking

The current system of needs test in town centre first policy also can have perverse effects; it protects incumbents and gives preference to operators that have lower sales densities. These incumbents may be operating in out of town shopping centres leading to the effect that if need is demonstrated and there is no impact on the town centre, an existing out of town shopping centre could expand while there is no application for a sequentially preferable site in the town centre.

Barker, 2006, para. 1:33

The sequential approach potentially creates a barrier to entry as its requirement to develop in town centres may prevent the opening of new stores of a scale competing with existing stores.

Competition Commission, 2007, para.31

‘I shall give an example. If a developer put in an application for an edge of town centre development that would drain the town centre’s vitality, it could be refused on the basis of the needs test saying that there was already existing capacity in relation to another developer who had an out of town site. That does not help town centres. In future we want a stronger impact test that considers the impact of any development on the town centre’ (Ruth Kelly)

Hansard, 2007, col. 983

‘Edge of centre developments will be the key to economic regeneration in many towns. ‘Edge of centre’ will have to be defined carefully but the idea is that people can still walk there from the town centre....developments that contribute to the town’s amenities that could have been turned down under the current need test.....An edge of centre development has to complement the town centre’(Yvette Cooper)

BCSC, 2007

Box C

Review of a range of cases featured in Planning in 2006-2007

Appeal case – Retail development- Replacement store scores provisional support,
Planning 4/08/06

A Tesco proposal for an out of centre store in Hastings received support even although no adequate sequential evidence was presented. The arguments based on need and regeneration benefits secured the approval.

Food store scheme survives need and sequential failures,
Planning 25/08/06

A site which would otherwise have remained vacant received permission for a Lidl store although it did not meet quantitative need requirements or the sequential approach. The qualitative benefits were a factor in the approval.

Appeal case – Retail development- Supermarket approved in out-of-centre location,
Planning 06/10/06

Asda received permission for a store in West Yorkshire after a debate about whether a site was considered as edge of centre or out of centre.

Appeal case – Retail development – Preferable site scuppers supermarket development,
Planning 06/10/06

Aldi sought permission for a store in a Scottish town but their proposal was turned down as sequentially preferable sites were identified.

Appeal cases – Retail development – Tesco Extra store fails sequential flexibility test,
Planning 01/12/06

No sequentially preferable site could be identified for this development in Devon and the potential for linked trips secured permission.

Retail development – Superstore considered policy compliant,
Planning 30/03/07

There was an identifiable quantifiable need for the proposed development and no sequentially preferable sites could be identified.

Food store rejected in conservation area,
Planning 06/04/07

This edge of centre proposal was rejected because it was argued that need had been overstated and existing permission for a replacement store in the town centre would meet any shortfall in need.

Retail development – Bulky goods retail store wins approval,

Planning, 06/04/07

Identifiable need was evident and no sequentially preferable site was available.

Edge of town store ruled unacceptable,
Planning 13/04/07

A Scottish application was turned down on the basis that the development would divert trade away from the town centre.

Doubt cast on overtrading claims,
Planning 27/04/07

Tesco was accused of overestimating a shortfall in provision and no justification was made for a non-preferable sequential site.

Store fails to show quantitative need,
Planning 27/04/07

A neighbourhood centre application by Aldi was turned down as there was no quantitative need for the store although it was agreed that there was no sequentially preferable site.

Mezzanine floor blocked at foodstore,
Planning 01/06/07

Asda's application failed to consider other sequentially preferable sites.

Lack of sites justifies out-of-centre mix,
Planning 8/06/07

No sequentially preferable sites were available.

Source: www.planning.haynet.com

References

Adams, D., Disberry, A., Hutchison, N. and Munjoma, T.
Retail location, competition and urban redevelopment
Service Industries Journal, 22(3), 2002, 135-148.

The success of PPG6 depends on the availability of suitable retail sites in edge of centre and town centre locations. Problems of land assembly pose a threat to town centre retail development. Frequently sites are held in multiple ownership. Data from 4 cities - Aberdeen, Dundee, Nottingham and Stoke - are presented. They show that in a number of instances suitable sites just could not be obtained as the site was held in multiple ownership. On occasion failure to secure a specific site has adversely affected the retail core of a town centre.

Baldock, J.
Retail: a special report,
Planning, 1292, 1998, 13-19.

The article emphasises the need for town centre revitalisation suggesting stricter planning conditions on out of town retail developments. Problems of definition in the application of the sequential test are also highlighted. The concept of walkability is one example.

British Council of Shopping Centres
Need and impact test summary
London: BCSC, 2007 (Available online at www.bcsc.org.uk)

A response by Yvette Cooper to questions concerning the evaluation of the need test.

CB Hillier Parker
The sequential approach to retail development,
London: NRPF, 2000, 79p. (www.nrpf.org)

This study was commissioned by the National Retail Planning Forum. The research was led by Johnathan Baldock. It concludes that the sequential test as part of PPG6 has had a significant impact in changing the way that planners, retailers and developers are approaching new developments. There are sections on the different responses to the sequential approach by local planning authorities, developers, food retailers, non-food retailers and planning inquiries. Significantly it is recognised that the changes in format and locational choices of many retailers reflect changing trading conditions and opportunities as much as they do planning considerations. Problems with definitions remained and were seen to have been responsible for inconsistencies between planning inquiry outcomes.

England, J.
Retail impact assessment: a guide to best practice,
London: Routledge, 2000, 225p. 0415216664

This volume is concerned with the ways in which retail impact assessment has and can be used within the contemporary planning framework. A range of measures of retail impact are discussed and qualitative and quantitative measures are both considered. The study attempts to identify procedures which can be termed best practice in the context of PPG6 and current thinking on its interpretation.

Findlay, A. M. and Sparks, L.

The need test

London: National Retail Planning Forum, 2007, 11p. (Briefing Paper 7) (Available online at www.nrpf.org)

A review of the need test and the implications of removing the need test from planning policy.

Guy, C.

Planning for retail development: A critical view of the British experience,

London: Routledge, 2007, 292p. 0415354536 (Email Guy@cardiff.ac.uk)

This volume updates Cliff Guy's 1994 volume on the same subject. As such it covers the last decade of retail planning policy in the UK which has been a substantial departure from the previous decade. Chapter 4 outlines the role and problems of the sequential test.

Guy, C.

Is 'demonstration of need' necessary in retail planning policy?

Regional Studies, 41(1), 2007, 131-137. (Email Guy@cardiff.ac.uk)

A resume of how the demonstration of need became an integral part of planning policy. Within this context the article then asks whether this is enough to justify its continued use as a planning tool. The opinion of the article is that it could be subsumed within impact analysis.

Guy, C.

Regeneration game,

Town and Country Planning, 70(2), 2001, 45-46. (Email Guy@cardiff.ac.uk)

The participation of retailers in regeneration is questioned in terms of how it fits into PPG6 policies. It is suggested that the regeneration argument may be being used as a means of countering the sequential test. If the regeneration argument is going to be sustained significant social and employment gains need to be demonstrated.

Guy, C. and Bennison, D.

Planning guidance and large store development in the United Kingdom: the search for 'flexibility',

Environment and Planning A, 39, 2007, 945-964. (Email Guy@cardiff.ac.uk)

An explanation of the opposing views of planners and developers in respect of their attitudes to making new developments fit town centre sites. A useful resume of changes to guidance between 1996 and 2005 is included. Attitudes of developers to 'flexibility over formats and disaggregation are reported.

Hargest, K.

SPP8 Town centres and retailing,

Scottish Planning and Environmental Law, 118, 2006, p. 134-135.

A brief review of the new Scottish policy guidance document SPP8. It highlights the emphasis on economic growth and the involvement of out of town retail sites in the sequential process both of which differentiate the policy from its English counterpart. Comparisons with NPPG8 note that it is simpler and more flexible with greater emphasis on qualitative deficiencies in retail provision.

Hayton, K.

Retail planning guidance and policy in Scotland: a review and critical analysis,

Town Planning Review, 72(1), 2001, 97-120.

The first part of the article gives a resume of planning policy guidance. The second part of the article focuses more specifically on the Strathclyde Structure Plan and the implementation of policy with reference to the Buchanan Galleries development. Although this development passed all the sequential tests it is argued that its impact will more closely resemble that of a regional shopping centre. Policy would appear to lag behind retail format development and there is inadequate attention to scale, physical integration of developments and cumulative effects.

Office of the Deputy Prime Minister

Technical report; using town centre statistics to indicate the broad location of retail development – initial analysis,

London: ODPM, 2005, 11p.

The report analyses changing retail location through the use of Valuation Office Agency data attempting to give comparable data across England and Wales. The project emerged from the ODPM's Town Centre Statistics Report. The study then develops a model of town centre activity based on this data and ABI employment data for retailing. Retail cores are thus identified. This permits town centres to be delineated and edge of centre buffer zones of 300 metres to be mapped out. This process is designed in order to make it possible to implement planning policy with respect to the sequential approach.

Policy Documents

Barker, K.

Barker review of land use planning: final report - recommendations,

Norwich: HMSO, 2006, 226p. (Available online from

www.barkerreviewofplanning.org.uk)

The Barker report represents the way that government policy considers the role of planning policy. There is a much stronger emphasis on the economic aspects of planning than formerly. The policy makes a number of specific references to retail policy. Specifically the report states that the need test is not required (p36) and it

discusses this within a context of competitiveness of the sector and the vitality and viability of town centres.

CB Hillier Parker and Cardiff University
A policy evaluation of the effectiveness of PPG6,
London: ODPM, 2004, 96p.

This substantial report assessed the effectiveness of PPG6 and was the document which paved the way for draft PPG6. The findings emphasise the acceptance and success of overall goals but accept that there have been problems in the implementation and interpretation of policy. It is also acknowledged that the policy has been more successful as a development control tool than as plan-led pro-active policy with restrictions being observed but a lack of commensurate town centre investment.

Competition Commission
Working paper on planning issues
London: Competition Commission, 2007, 53p. (Available online from www.competition-commission.org.uk/inquiries/ref2006/grocery/emerging_thinking_working_papers.htm)

From a retail planning perspective this is the key paper produced by the Competition Commission to date. The paper focuses on ways in which the planning system could either favour incumbents and inhibit new entry or be used to gain competitive advantage. It details the way that the need test is used and discusses how this could impact on new entries to the market.

HM Government
Planning for a Sustainable Future: White Paper
Norwich: HMSO, 2007, 145p. (Cm7120). (Available online at www.communities.gov.uk)

This is the key policy document presenting government policy on the shape of land use planning in the UK. The text of the Planning White Paper encompasses a broad range of planning issues. Chapter 7 is concerned with retail planning and in particular the need test.

House of Commons House of Commons, Environment Committee
Fourth report: Shopping centres, volume II: minutes of evidence and appendices,
London: HMSO, 1997, 113p.

This volume provides a progress report on the implementation of the findings of the 1994 House of Commons Select Committee on Shopping centres and their future. The government response had been to revise PPG6, clarify issues relating to town centres, promote town centre management, improve data quality and commission appropriate research. Other topics covered include the concept of town centre health checks, the sequential approach, visioning, travel issues, newer forms of retailing, impact studies and town centre management

Office of the Deputy Prime Minister

Planning policy statement 6. Planning for town centres

London: ODPM, 2005. (Available online at www.odpm.gov.uk)

This is the final policy statement outlining the key principles, tests and definitions of the policy on town centres and retailing.

Scottish Executive

Scottish planning policy SPP8: Town centres and retailing

Edinburgh: Scottish Executive, 2006, 16p. (Available from www.scotland.gov.uk/Publications/2006/07/26112710/0)

This is the final policy statement. It outlines the key principles and the way they will be applied. The town centre focus remains. The importance of the plan-led approach is emphasised in the recognition of a network of centres, flexibility, the involvement of stakeholders and negotiation between developers and planners on issues such as design.