



Quod

Matter 7

Crawley Town Centre

Crawley Borough Local Plan

Additional Statement prepared by
Quod

JANUARY 2024

Q100596

Matter 7: Crawley Town Centre - Additional Statement

Context

- 1.1 This Statement has been prepared in response to the Matter 7 Written Statement prepared by Crawley Borough Council ('CBC') (CBC/MIQ/007) in respect of the ongoing examination of the Crawley Borough Local Plan (CNLP/01).
- 1.2 As outlined in our previous representations, our only issue in relation to the emerging Local Plan relates to the proposed local retail impact threshold of 500 square metres as set under Draft Policy TC5 – i.e. Local Plan Inspector's Question 7.1. It is our strong view that the suggested policy household is not sufficiently justified therefore bringing into question the soundness of the plan in this respect.
- 1.3 CBC did not provide any further evidence in respect of this matter between the submission of our Regulation 19 Consultation response in June 2023 and the submission of our Matter 7 Statement in December 2023. It is only since the submission of CBC's Matter Statement that additional justification to support CBC's position was provided. As a consequence of not being able to attend the relevant Hearing Session on Matter 7, following discussion with the Programme Officer, it has been agreed that a further statement can be provided to specifically respond to the additional information now provided by CBC. This Statement is advanced on this basis.

Additional Evidence provided by CBC

- 1.4 The Matter 7 Statement prepared by CBC is supported by a response prepared by Nexus (contained at Appendix A to CBC's statement) to our earlier Regulation 19 Consultation response. In particular, Nexus has revisited and updated the original work in respect of justifying a lower retail impact threshold of 500 square metres – as recommended by the findings of the Crawley Retail, Commercial Leisure & Town Centre Neighbourhood Needs Assessment (2020) (EGSM/TC/01) ('2020 Needs Assessment').
- 1.5 In reviewing this update, we continue to have significant concerns with the robustness of the evidence provided to support an impact threshold that is substantially lower than the default threshold set by the National Planning Policy Framework (NPPF) and the current adopted Local Plan – both of which apply an impact threshold of 2,500 square metres. We set out these concerns below. For ease of reference, we have applied the same broad headings as outlined within the update prepared by Nexus, which reflect the broad considerations outlined in the Planning Practice Guidance (PPG)¹ that supports the NPPF.

Scale of Proposals Relative to Town Centre

- 1.6 Nexus has sought to compare the size of commercial units in Crawley town centre in 2019 and compare this to the position 2022 drawing upon Experian Goad data.
- 1.7 This update indicates that the principal change since 2019 relates to the average size of existing retail units reducing. For convenience goods this has reduced from 664 square metres to 379 square metres and reduced from 404 square metres to 385 square metres in the

¹ Paragraph: 015 Reference ID: 2b-015-20190722

comparison goods sector. Nexus also highlights that the average vacant unit in Crawley town centre has increased from 261 square metres to 524 square metres over the same period.

- 1.8 As acknowledged by Nexus, this change in terms of average size of convenience and vacant units is principally due to the closure of the Morrisons since 2019. The former Morrisons extends to approximately 8,200 square metres² of floorspace and closed in November 2019. Notably, this store was closed prior to the publication of the 2020 Needs Assessment that sought to provide the justification for the low impact threshold. Given this, the approach should be to compare the position at the time of publishing the evidence to support the lower threshold (i.e. with the Morrisons closed) with the position today. However, this is not the approach undertaken by Nexus. It is therefore misleading to compare the position in Crawley town centre now with the position the Morrisons store was open. By excluding Morrisons, there will be no notable change in average convenience / vacant unit size between the time of the 2020 Needs Assessment and 2022.
- 1.9 We also understand that Experian Goad, the source of floorspace data used by Nexus, only provides floorspace based on the footprint of existing buildings. It does not include additional floors. Accordingly, the average size of existing commercial units in Crawley town centre (as identified by Nexus) will be understated as the floorspace of retailers who trade from more than one floor will be underestimated.
- 1.10 Nexus also considers that the scale of retail commitments provides further weight to support applying a lower impact threshold. Nexus' assessment is based on just two planning applications, one being for flexible commercial floorspace as part of a residential-led mixed-use redevelopment (ref. CR/.2019/0542/FUL) approved in May 2020, and the second relating to the reconfiguration and extension of existing retail units at County Oak Retail Park to create an additional 700 square metres of floorspace (ref. CR.2018/0196/FUL), which was granted in January 2019. These commitments do not represent recent proposals and we would question whether this provides a representative sample of future applications to justify setting a low threshold.
- 1.11 We would also question why no reference is made to planning applications rather than just committed schemes. For example, there is a pending planning application to allow a foodstore of 2,507 square metres to trade at County Oak Retail Park (ref. CR/2023/0314/FUL) that is close to determination. The inclusion of planning applications is of importance in trying to understand the unit size proposed by operators rather than simply focusing on two retail commitments granted more than three years ago. In our view the approach of Nexus does not provide a true and fair representation of proposals coming forward in Crawley and can only be given very little (if any) weight in seeking to justify the low impact threshold now being proposed.
- 1.12 Finally, Nexus refers to published requirements of national multiple retail or leisure businesses seeking new units in Crawley³. Nexus acknowledges that these are only indicative and do not indicate confirmed demand. However, it is suggested that as all but one of the retailers (The Range) are seeking representation that would not qualify for a retail impact assessment at the national threshold this lends further weight to setting a local threshold of 500 square metres. We cannot accept this position. This evidence does not support a floorspace threshold of 500

² As identified by the relevant marketing brochure

³ Derived from www.therequirementlist.com

square metres or demonstrate why an alternative impact threshold figure would not be appropriate.

- 1.13 This additional information does not provide robust evidence to support an impact threshold of 500 square metres.

The Existing Vitality and Viability of Town Centres

- 1.14 To understand the existing viability and vitality of Crawley town centre Nexus has undertaken an updated health check, completed in November 2023.
- 1.15 Nexus has drawn upon the findings in seeking to further justify the low impact threshold. We provide comment on the findings of this health check and its relevance to supporting CBC's position where relevant below.

Cumulative Effects of Recent Developments

- 1.16 Nexus acknowledges that they are not aware of any recent development that will have cumulative impacted to any significant degree on Crawley town centre. As such this is not a PPG factor supporting setting a lower impact threshold.

Whether Local Town Centres are Vulnerable

- 1.17 Nexus (at para. 2.18) reiterates the findings of the 2020 Needs Assessment in suggesting that Crawley town centre is vulnerable as it had experienced a substantial reduction in market share between 2010 and 2019 both in terms of the convenience goods sector (from 30.4% to 13.8%) and the comparison goods sector (from 42.6% to 23.1%).
- 1.18 As outlined in our previous submissions to the Local Plan⁴, it is not accepted that the market share of Crawley town centre has declined at the levels suggested by Nexus in the 2020 Needs Assessment when seeking to justify a lower impact threshold. Nexus has reviewed our previous representations and provided a comment on the key issues raised. We consider each of these matters in turn below and provide a further response in light of the additional comments provided by Nexus.

- **Study Area** – Nexus considers that the 2010 and 2019 study areas are broadly identical and believes that the Study Areas are comparable. However, Nexus fails to address the fact that the Crawley Zone comprised a single zone in 2010, whereas it was split into two zones for the 2020 Needs Assessment. Breaking the Crawley Zone into two separate zones can have a material impact when comparing market shares to a survey that was based on a single zone. For example, creating two zones will ensure that there is a greater geographic split of post codes. This will include ensuring a better spread of respondents such as in the north and south of an area whereas a single zone could result in respondents being focused in a particular area within a larger zone. This has the potential to skew the survey results when covering a large single zone. Indeed, one should ask that if splitting the zone into smaller areas has 'no bearing' on the findings (as suggested) why did Nexus decide to split the Crawley Zone into two separate zones when undertaking the 2020 Needs Assessment? One can only assume that this was undertaken to provide a more accurate assessment of shopping patterns in the local

⁴ Submissions to the Regulation 19 Consultation (letter dated 20th June 2023) and Matter 7 Statement (December 2023)

Crawley area. This difference in study areas will have a material impact when comparing market shares identified by the two surveys.

- **Questionnaire wording** – Nexus recognises that there is different wording between the 2010 and 2019 questionnaires and acknowledges (para. 2.20) that:

“The change in wording was introduced in 2019 in order to pick up visits to stores which might not properly be accounted for when people are only thinking about where they do most of their food shopping. For this reason, we do agree that there is likely to be a slightly greater degree of accuracy to the 2019 results and that the two are not directly comparable for that reason.” (our emphasis)

Nexus therefore recognises that the two surveys are not directly comparable. However, it is suggested that any difference is likely to be ‘minor’. We do not agree with this. There is no way of knowing the effect the difference the proposed wording will have in identifying shopping patterns. Nevertheless, it is not just this specific issue with which we are concerned. This is one of several factors that collectively will have a material impact when comparing the survey evidence. The two surveys are not directly comparable – as acknowledged by Nexus – and direct comparisons cannot be relied upon as robust evidence to support setting such a low impact threshold being applied.

- **Goods categorisation** – Again, Nexus agrees that there is a difference in the goods categorisations of the questionnaire for the 2010 and 2019 household surveys. Whilst Nexus suggests that this will have small difference, this represents a further distinction between the household surveys and further supports our position that when considered with all the other acknowledged differences direct comparisons are difficult.

In addition, whilst we recognise that the overall market share is based on all comparison goods, this is based on aggregating the results of each category of goods asked. If the wording of each question is different (as has been acknowledged by Nexus) this may have implications on which retail destinations are recorded and the overall aggregated comparison market share identified. This further illustrates the difficulty of directly comparing the 2010 and 2019 surveys.

- **Asda store** – Nexus agrees that to provide a direct comparison between the 2010 and 2019 surveys the Asda store on Peglar Way should be included. As a result, Nexus recognises that the decrease in market share is not as significant as previously suggested. The change in market share is now identified by Nexus to reduce from 30.4% to 26.5% rather than a reduction to 13.8%, as previously suggested, and identified in trying to justify the low impact threshold.
- **Comparison Goods Market Share** – Nexus also agrees that the significant decline in comparison goods market share previously identified (from 42.6% in 2010 to 23.1% in 2019) was an error and the actual figure should be 40.5%. Accordingly, the comparison market share of Crawley town centre has remained strong.

1.19 In reviewing the specific points, Nexus conclude (para. 2.21) that the first three are likely to have little or no bearing on their original findings, with the fourth and fifth being ‘material’.

1.20 For the reasons identified, we believe that each of the factors raised has a material impact when comparing market shares in 2010 and 2019. This is further compounded by the fact that all the factors will apply in this instance, meaning that collectively these issues will undermine the robustness of directly comparing the two household surveys.

1.21 Notwithstanding this, it is now recognised by Nexus that the decline in Crawley town centre is not as significant as that previously identified. The market share for comparison goods remains broadly static between 2010 and 2019, and the modest change identified is likely to be explained by the differences in approach of the two household surveys. It does not suggest a town centre in significant decline. As outlined in our previous representations, the 2020 Needs Assessment concluded (para. 2.65) that:

“Non-bulky goods such as clothing and footwear, and recreation goods show a high level of retention to the Town Centre, which is indicative of its strength as a retail destination...” (our emphasis)

1.22 Nexus now acknowledges that the comparison retail market share remains largely unchanged since 2010. It is the comparison (non-food) offer, alongside the well represented service sector, which underpins Crawley town centre’s ‘offer’. The service sector is not affected by the proposed impact threshold for new retail development.

1.23 Nexus also refers to the findings of a recently completed health check to try to further justify adopting their recommendation. However, in reviewing this health check undertaken we note the following:

- Vacant units whilst increasing marginally since 2019, remain below the national average (12.5% against a national average of 13.8%). The Covid-19 pandemic has had an impact on all centres since 2019, however the level of vacancies in the town centre does not suggest a centre in significant decline.
- Although vacant floorspace has increased, this is largely due to the closure of the large-format Morrisons in the town centre, which closed prior to the publication of the 2020 Needs Assessment. If this was excluded the proportion of vacant floorspace would significantly reduce.
- Average rents have remained broadly static since 2019 despite the impact of Covid-19 and the current rental levels are also higher than that achieved in 2015 – as identified by Nexus’ health check.
- Substantial investment has come forward in the town centre in recent years, including the regeneration of Queens Square and a new town hall have improved the town centre.
- Nexus identifies a healthy demand from retailers and leisure uses seeking representation in Crawley town centre.

1.24 Considering all the above, we do not believe that the evidence supports the need to identify a lower impact threshold. Crawley remains a vital and viable town centre.

1.25 Furthermore, it is significant to note that the 500 square metre figure suggested by Nexus was applied based largely on an understanding that the retail market share of Crawley town centre had significantly declined between 2010 and 2019. As has now been acknowledged by Nexus, this is in fact not the case.

1.26 Despite this, Nexus maintains their position that an impact threshold of 500 square metres remains appropriate. We question this approach and how a conclusion remains valid when Crawley town centre is in a much healthier position than that incorrectly concluded by Nexus in the 2020 Needs Assessment. This further supports our view that the suggested impact

threshold put forward by Nexus is entirely arbitrary and unjustified, and not supported by robust evidence.

Summary

- 1.27 We maintain that the proposed impact threshold is not justified. Indeed, Nexus has now acknowledged that there were significant errors in the evidence prepared to support their recommendation.
- 1.28 Furthermore, Crawley town centre continues to provide a viable and vital retail destination with a strong comparison retail and service offer, and largely retaining its market share – particularly in the comparison goods sector. This is consistent with the finding of the 2020 Needs Assessment which identified that Crawley town centre is *‘performing well’*, with a *‘healthy mix of retail and service uses’*, and *‘resilience in the comparison goods sector’*⁵. The updated evidence now provided by Nexus re-confirms this position.
- 1.29 In addition, as outlined within our previous representations, a number of the perceived concerns raised by Nexus will be addressed by the need for retail proposals in edge-of-centre and out-of-centre locations having to satisfy the sequential approach to site selection rather than through the introducing a local impact threshold of 500 square metres. For example, in terms of securing the future reletting and / or sub-division of the former Morrisons unit or in the long-term delivery of the Town Centre Regeneration Programme. The sequential approach applies for all retail proposals regardless of scale.
- 1.30 Overall, the additional evidence provided by Nexus, whilst acknowledging previous errors, continues to fail to provide the robust justification needed to support the low impact threshold. The suggested figure is arbitrary and not support by robust evidence. This means that the approach of draft Policy TC5 is not justified, and the emerging Local Plan cannot be deemed to be sound, contrary to the NPPF.
- 1.31 Given this, the introduction of such a low impact threshold is not required. Instead, the default threshold of 2,500 square metres set by the NPPF (which is consistent with existing local planning policy) is entirely appropriate. Justification continues to be lacking and instead the suggested impact threshold is simply an arbitrary figure that is not supported by robust evidence. Within this context, we maintain that draft Policy TC5 should be amended as follows (revised text in bold and underlined):

*“In assessing the impact of edge-of-centre or out-of-centre retail development under part b), an impact assessment will be required for development of **2,500sqm** gross floorspace or greater.”*

- 1.32 Linked to this, Paragraph 11.40 within the supporting text to this policy should also be deleted.

⁵ Paragraph 4.87