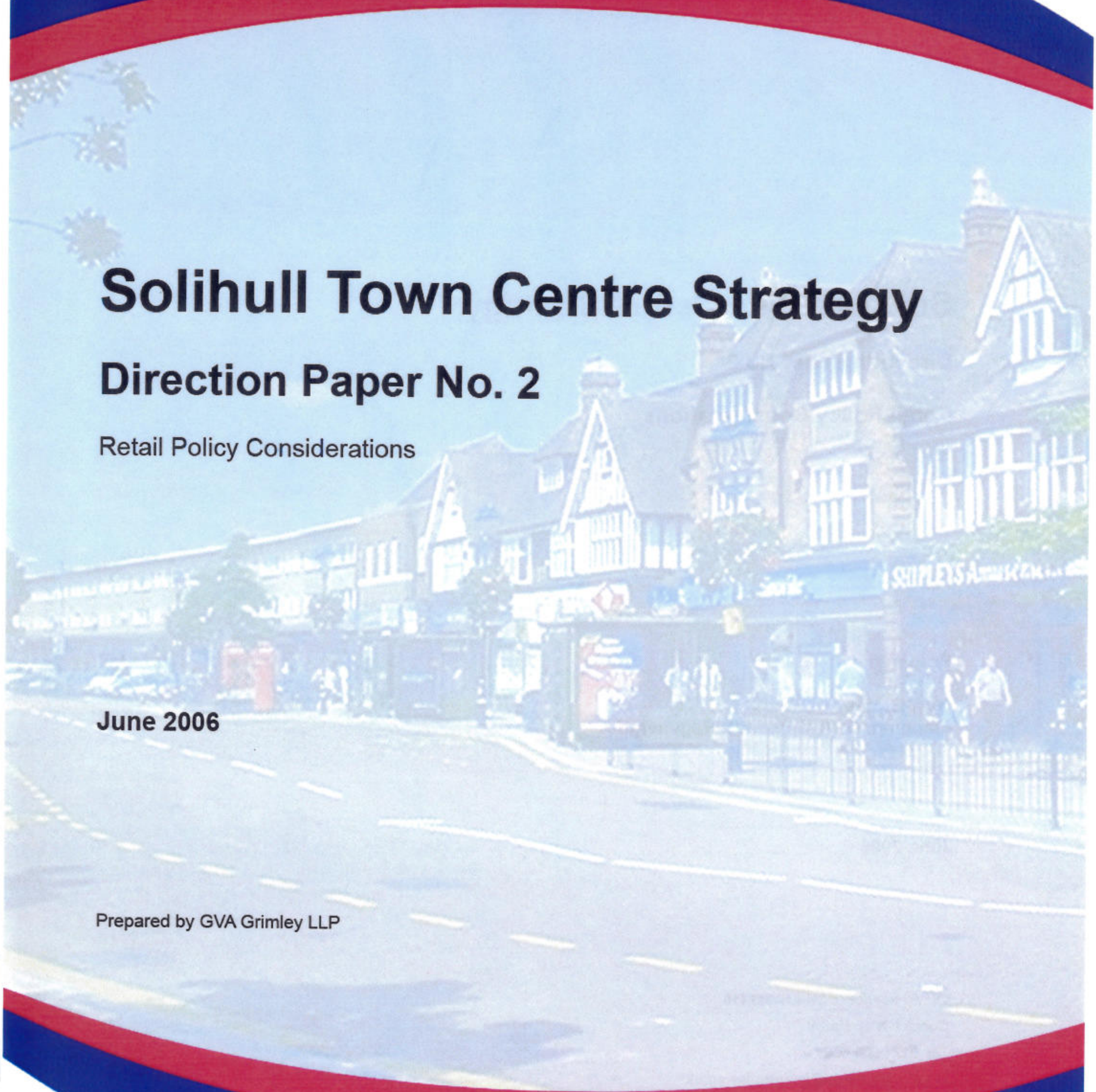

# Solihull Town Centre Strategy

## Direction Paper No. 2

Retail Policy Considerations

**June 2006**

Prepared by GVA Grimley LLP

Solihull Metropolitan Borough Council

GVA Grimley

# Solihull Town Centre Strategy

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## Retail Policy Considerations

**Prepared by**

**GVA Grimley LLP**
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**June 2006**

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## Appendices

# 1. Introduction

1.1 This Direction's Paper draws together the key findings from a review of baseline documents and the purpose of this Direction Paper is to identify a series of key issues arising from our review of retail planning policy documents, and from the preparation of a series of baseline studies and direction papers. The issues and questions that arise are important to the generation of Strategic Options in the next phase of the Solihull Town Centre study but more immediately will help inform Solihull Council's response to the Regional Centres Study and RSS Review.

1.2 The paper is structured as follows:

- **Section 2: Town Centre Health Check**
- **Section 3: Retail And Town Centre Policy Review**
- **Section 4: The RSS And Regional Centres Study**
- **Section 5: Solihull Town Centre Retail Development Scenarios**
- **Section 6: Solihull – Positioning In Any Regional Hierarchy**
- **Section 7: Regional Centres Study – Growth Options**
- **Section 8: Implications for the Town Centre Strategy**

1.3 This Directions Paper is one of six papers that form a robust evidence base for the Solihull Town Centre Strategy. The other papers are:

- 1. Development and Property;
- 3. Town Centre Health Check;
- 4. Public Sector Assets;
- 5. Movement and Accessibility; and
- 6. Urban Design Analysis.

1.4 The Consolidated Study Approach that we have agreed with the Council lists a range of Direction Papers that are to be produced as "standalone" documents. The "Vitality and Viability" assessment or "health check" analysis of the centres has been covered by Direction Paper No 3 and the findings of the health checks are drawn upon in this document.

1.5 The review of relevant retail and "town centre" policy at the national strategic and local level that we show on the Consolidated Study Approach as a separate task to be progressed alongside the preparation of Baseline Reports and Direction Papers has been produced as an appendix to this paper (**Appendix 1**) rather than as a discrete Direction Paper.

1.6 The Consolidated Study Approach shows also that we will consider as a separate task the quantitative need for additional retail floorspace in the Borough. This is to be done by the carrying out of a review/critique of the Roger Tym and Partners *"Regional Centres Study"* (our brief does not include for a bespoke quantitative need assessment of retail or leisure uses and will inform our advice on policy development at a later stage. We have, nonetheless, carefully considered the conclusions of the Roger Tym work that are relevant to Solihull (and it covers more than just quantitative need) and include a summary paper at **Appendix 2**.

1.7 In the body of this report, we identify a number of key messages coming out of the Regional Centres Study, insofar as it relates to Solihull, as that prompts and defines a discussion to be had on the scope of representations that Solihull MBC may wish to make to the West Midlands Regional Assembly (WMRA) either now or when formal consultation takes place in the Autumn. These messages equally have major implications for the emerging town centre strategy for Solihull and will have to be fully considered at the subsequent stages of this study.

# 2. Town Centre Health Check

2.1 The current health of the four principal centres in the Borough (Solihull, Chelmsley Wood, Shirley and Knowle) is considered in Direction Paper No 3 judged against the indicators set out at paragraph 4.4 of PPS6.

2.2 Our objective in producing the health checks has been to provide a "snapshot" analysis of the centres to inform judgements that are to be made in relation to their positioning within the regional and local network/hierarchy of centres. This is important to any representations that Solihull MBC may want to make to the WMRA in relation to Solihull town centre. It is also important in relation to choices that Solihull MBC will need to make on the definition of a network of centres in the Borough in its LDF.

2.3 The principal conclusions that can be drawn from the vitality and viability analyses are as follows:-

(a) Solihull town centre is very strong, and improving, judged against most of the criteria in PPS6. Our assessment supports the Regional Centres Study conclusion (Table 5.4) that Solihull is "very healthy" and we note its position as a "third tier" centre in the regional hierarchy as suggested by Roger Tym and Partners.

(b) Chelmsley Wood, Shirley and Knowle are very different in character from each other. Chelmsley Wood is a purpose built centre in need of modernisation and improvement. Shirley is a "traditional" linear centre, typical of centres across the conurbation and potentially vulnerable to competition. Knowle is a small centre of higher environmental quality than Chelmsley Wood or Shirley, located within a highly affluent catchment.

(c) The health checks should be treated as "work in progress". This is partly because some of the indicators can be evaluated only towards the end of this study (eg: the potential capacity for growth or change and accessibility issues) and also because our brief does not include for the survey work required to test various indicators (eg; occupiers' intentions to change representation, perceptions of safety and occurrence of crime).

(d) Moreover, there is an absence of time series data in relation to certain issues such as footfall before and after Touchwood.

(e) For these reasons, our vitality and viability assessments do not fully comply with "best practice" advocated under PPS6 but provide important baseline evidence which may be used with confidence as the basis for decisions on policy directions to be adopted for the centres. They may also be used as a sound basis for further work and monitoring of key performance indicators.

## KEY MESSAGES AND ISSUES

**2.4 Key messages and issues arising include the following:-**

- **Solihull is a very healthy centre, is recognised as such in the RSS review although the ability to expand may be constrained by physical, ownership, built heritage and infrastructure capacity issues;**

- **Despite their differences, are the smaller centres all appropriately classified as "District Centres" and should the future policy approach in all three be to support/consolidate their primarily convenience function?**

- **What are the appropriate "Primary Shopping Area" (PSA) and "Town Centre" boundaries for each centre (see plans within Direction Paper3 for "working draft" boundaries)?**

- **In the context of current/anticipated development proposals in all centres and (for Solihull) the matters arising from the Regional Centres Study, should the PSA and Town Centre boundaries be drawn tightly, or more flexibly to allow appropriate development proposals to be considered against criteria based policies in the Council's emerging DPDs?**

- **What further work should be commissioned to complete the health checks and what arrangements should be put in place for regular monitoring?**

# 3. Retail And Town Centre Policy Review

**National Planning Policy Statements**

3.1 Appendix 1 reviews the requirements that are placed on Solihull MBC as local planning authority by national planning policy set out in *PPS6: Planning for Town Centres.* PPS6 refers to a variety of matters that PPS6 advises *"should"* be covered by local planning authorities in their Core Strategy and other Development Plan Documents (DPDs), including any town centre Action Area Plan (AAP).

3.2 The recently adopted Solihull UDP 2006 was prepared before the publication of PPS6 and, therefore, its policies for centres are not in accordance with current national planning policy requirements. In particular, PPS6 requires (para 1.6) that RPBs and local planning authorities should *"plan positively for their* [town centres'] *growth and development"* and (paragraphs 1.6 and 2.1 to 2.9) that they **should**:-

- plan how best to distribute any identified growth to achieve the objectives of their spatial strategies;
- *"define a network and hierarchy of centres each performing their appropriate role to meet the needs of their catchments"*; but
- *"recognise that networks and hierarchies are dynamic and will change over time but any significant change in role and function of centres ... should come through the development plan process ..."*
- select centres to accommodate need for growth by *"making better use of land and buildings, including, where appropriate, redevelopment"* and *"where necessary, extending the centre"*;
- identify a sufficient *"number and size of sites"* to meet identified need;
- where growth cannot be accommodated in existing centres, *"plan for the extension of the primary shopping area if there is a need for additional retail provision..."* but carefully integrate any proposed extension to the PSA with the existing centre;

3.3 Paragraphs 2.12 to 2.14 explain **the Role Of Regional Plans** and give a steer as to what suite of policies may emerge in the review of the RSS. For example in the RSS the RPB should:-

(a) set out a vision and strategy for growth particularly for higher order centres and provide a framework for planning at the local level;

(b) develop a strategic framework for the development of a *"network of centres"*;

(c) make *"strategic choices"* about those centres of regional and sub-regional significance where growth should be encouraged;

(d) assess the overall need for additional floorspace over the RSS period (especially for comparison retail, leisure and office development);

(e) assess need for five year periods within the RSS period; and

(f) identify where needs should be met *"having regard to capacity and accessibility of centres"*.

3.4 It is clear that the project brief for the Roger Tym and Partners Regional Centres Study took this advice into account as all these matters (with the exception of splitting into five year periods the need for main town centre uses) are covered in the December 2005 Final Report.

3.5 Paragraphs 2.15 to 2.18 explain **the Role of Plans at the Local Level** and give a steer as to what suite of policies should emerge in Solihull MBC's Core Strategy and/or Action Area Plan for the centres. For example, in its DPDs, the local planning authority should:-

(a) have regard in their strategy for centres to the RSS and reflect their Community Strategy;

(b) in the Core Strategy set out a *"spatial vision and strategy for the network and hierarchy of centres"* and identify the centres into which development will be focused;

(c) work in conjunction with stakeholders and assess quantitative and qualitative need for new floorspace for main town centre uses;

(d) assess the capacity of existing centres to accommodate new development;

(e) consider the need to extend the PSA and/or town centre as a means of accommodating growth;

(f) define the extent of the Primary Shopping Area and Town Centre for the centre(s) in their area and, if necessary to meet particular policy objectives, distinguish between primary and secondary shopping frontages;

(g) identify and allocate sites in accordance with advice in the PPS and to meet needs for *"at least the first five years from the adoption of their DPDs although, for large centre schemes, a longer period may be appropriate to allow for site assembly"* (para 2.52);

(h) set out criteria based policies for assessing new development including on sites not allocated

3.6 We consider that the above forms a reasonable "tick-list" of matters that should be included in the Core Strategy and/or Action Area Plan DPDs and most are being considered, to a lesser or greater degree, within this project brief.

3.7 The PPS includes extensive detailed guidance around the key areas of assessing need, the identification of the appropriate scale of development, the application of the sequential approach, the assessment of impact and ensuring accessible locations. The majority of that guidance need not be repeated in this paper although it is worth noting three particular points.

- First, PPS6 expects that local planning authorities will commission their own need assessment (para 2.32) which *"should be carried out as part of the plan preparation and review process ..."*. This should be <u>in addition to</u> any regional need assessment (local need assessments should *"... inform and be informed by regional needs assessments and form part of the evidence base for DPDs"*. This advice applies both to comparison goods retail, leisure and office needs.

- Second, in relation to the appropriateness of the scale of new development, para 2.41 says that local planning authorities should ensure that the scale of opportunities identified are *"directly related to the role and function of the centre and its catchment"*.

  We highlight this because we will later consider the strategic positioning of Solihull town centre in the regional network/hierarchy of centres. It is self evident that the local planning authority must be clear about the role and function of a centre (for example, "sub-regional" or "district") before it can decide what scale of development is *"directly related"* to that role and function.

- Third, it is worth noting the typologies for centres and definitions of terms in Annex A of PPS6 as those are to be applied to the definition of the roles of the three lower order centres in the Borough and to the identification of PSA and Town Centre boundaries.

**KEY MESSAGES AND ISSUES**

**3.8 Key messages and issues arising from the above analysis include the following:-**

- **the town centre policies of the adopted UDP require further development;**

- **in the light of the advice in PPS6 that we have highlighted, what suite of site specific and criteria based policies must the Core Strategy and other DPDs include?**

- **what progress can Solihull MBC make on policy formulation based around need in advance of the completion of the RSS Partial Review?**

- **to what extent should Solihull MBC consider making provision via allocation for new retail development (and other main town centre uses) to 2011 and, separately, to 2021?**

- **assuming that an extension to Touchwood would be a desirable outcome, how would the PSA boundary be defined to avoid such a scheme being on the edge of the centre?**

- **Could any option involving relocation of the Council offices be shown on any Proposals Map?**

- **Should Solihull MBC be commissioning a bespoke quantitative need assessment to support any emerging policy framework?**

# 4. The RSS And Regional Centres Study

4.1 Appendix 2 briefly reviews the policies relating to centres in the adopted RSS, insofar as they are relevant given that the RSS Partial Review process is underway.

4.2 The RSS includes (Policy PA11) reference to a network of 25 centres which are of strategic significance in the region. Most new development for which there is a need is focussed into the network of centres. Other than Birmingham City Centre being identified as the regional centre, the RSS does not define a hierarchy of centres either by size/turnover, range of facilities or function.

4.3 Appendix 2 explains the process that the RPB is following in taking forward the review of the RSS. The Roger Tym and Partners Regional Centres Study was commissioned by the RPB to inform the review insofar as it relates to centres (and also in the context of the Study of Black Country Centres). We note in para 3.4 that the Regional Centres Study addresses all those matters that PPS6 advises should be covered in the preparation of Regional Spatial Strategies.

4.4 We assume, therefore, for the sake of this Direction Paper that the conclusions of the Regional Centres Study are likely to be incorporated substantially unaltered in the review of the RSS. That is relevant to the Council's consideration of what representations it may wish to make and would suggest that the RSS Review might include:-

(a) The identification of a hierarchy of centres, within the network of defined centres;

(b) definition of comparison goods retail, office and leisure floorspace requirements up to 2011 (and to 2021) for the region, and each strategic centre within the region (most likely via floorspace ranges for each centre); and

(c) possibly, suggestions for the phasing of new comparison goods retail development between centres to allow for growth first in the most vulnerable centres, particularly in the Black Country.

4.5 The letter from the CEO of the WMRA to the strategic authorities of the West Midlands and Directors of Planning and Chief Planning Officers, encloses a brief approved by the Regional Planning Executive on 8 February 2006 and sets a deadline for responses from as 15th May 2006. In relation to town centres, the most relevant questions to this study that are asked are:-

1. *"What general level of new comparison floorspace do you think it appropriate to be sought at the strategic centres within your area up to 2021 taking into account the findings of the Regional Centres Study?*

2. *What general level of new office development do you think it appropriate to be sought at the strategic centres within your area up to 2021 taking into account the findings of the Regional Centres Study?*
3. *What provision should be made for retail and office development outside of strategic centres?*
4. *How should RSS centres policies be expressed - centre specific, maximum, minimum, a range appropriate to similar centres?*
5. *Following from the above and the Secretary of State's request to identify investment priorities for retail, offices and leisure uses between centres, what should these be for your area?"*

4.6 The Regional Centres Study is, of course, not a planning policy document. Solihull MBC must decide the extent to which it wishes to challenge the basis, or conclusions, of the assessment. At the time of writing, we await the technical appendices to the Regional Centres Study. In the absence of those, it is not possible to provide a robust critique of the options for levels of comparison floorspace set out in the Regional Centres Study (the options are reviewed later in Section ...).

**KEY MESSAGES AND ISSUES**

**4.7 Key messages and issues arising include the following:-**

- **How likely is it that the RSS will include a hierarchy (rather than network) of centres and how important/relevant is that to Solihull (see also Section 6)?**
- **What are the pros and cons as far as Solihull MBC is concerned of policy approaches at the regional level that are centre specific and/or include ranges of floorspace?**

# 5. Solihull Town Centre Retail Development Scenarios

5.1 The positive impact that Touchwood has had on the comparison goods turnover of Solihull Town Centre is underlined by our vitality and viability assessments and the conclusion of the Regional Centres Study that Solihull is *"very healthy"*.

5.2 On the other hand, one consequence of Touchwood has been to bring into sharp focus the environmental and other problems facing Mell Square. At the same time, the potential benefits of having two different styles of shopping centre within a single centre (one covered, fashion based development and one open, general comparison based development) are considerable.

5.3 This study is not starting with a "blank sheet of paper" in relation to potential further development in Solihull town centre and will have to take into account in its outputs the aspirations of key stakeholders including Morley Fund Management, Bovis Lend Lease and others. At this stage, it is necessary to make a judgement on what form those aspirations might take, at what scale and in what timeframe.

**Mell Square Refurbishment And "Baseline" Scenario**

5.4 Morley Fund Management is developing proposals for the improvement of Mell Square. Morley's current proposals have been explained to us and are, put simply, for significant refurbishment and remodelling of Mell Square, rather than clearance and redevelopment. The proposals will increase the number of retail units in Mell Square; will increase permeability within and across the development block; will improve its environment and should attract higher quality retailers into the scheme. In addition, we assume that Morley's proposals could result in an increase in comparison goods floorspace of, say, 13,935m$^2$ (150,000 ft$^2$) net. We assume that Morley will want to progress quickly down this route and that a refurbished/remodelled Mell Square might be delivered within, say, five years. It is essentially a single phase scheme.

5.5 Mell Square is firmly within both the PSA and town centre boundaries. In principle, remodelling and refurbishment is to be wholly encouraged under PPS6. We have assumed, therefore, that there are no circumstances under which the local planning authority, or the RPB, should seek to constrain for policy reasons the refurbishment/remodelling of Mell Square (irrespective of quantitative need).

5.6 This is important as it establishes a "baseline" assumption that a net increase in comparison goods floorspace of circa 13,935m$^2$ may be permitted within Solihull town centre irrespective of policy emerging through the RSS Review.

**Mell Square Extension**

5.7 Morley has explained that there is a possible second phase development to be undertaken at Mell Square.

5.8 This would appear to be aspirational and would involve the relocation of the Post Office and other key units to create a link into the Warwick Road multi-storey car park and, possibly, incorporate Morrisons car park. This is not straightforward as it requires significant relocations (in particular the PO which will have strict locational criteria), land acquisition and, potentially, an impact on Morrisons car-park which Morrisons will clearly resist without a very high commercial incentive.

5.9 One benefit of such a scheme would be the introduction of housing into the centre which does not arise to any material extent in Morley's refurbishment proposals. We assume that such a scheme would result in a relatively modest increase in retail floorspace of, say, 5,574m$^2$ (60,000 ft$^2$) in a timeframe of 5-10 years.

5.10 Solihull MBC may not want to create a policy framework that would deny the possibility of this scheme because of the potential it has to introduce a wider mix of uses into the town centre. For now, and for the purpose of "scenario building" we assume that it is generally desirable to retain the option for an extension to Mell Square, but that the timescale may be 5 to 10 years.

**Touchwood Phase II**

5.11 At the time of writing, we have not been able to discuss with Bovis Lend Lease any plans that they have for an extension to Touchwood but are aware of their aspirations for a second phase. This would raise a number of potentially difficult (although not insurmountable) issues including the following:-

(a) In which direction would Touchwood expand? Whichever direction, there would appear to be a need for significant relocations (either Solihull MBC's main offices or the library and/or police station).

(b) There could be a significant impact on the listed church and conservation area.

(c) Such a development could further polarise the centre and marginalise Mell Square; and

(d) unless specifically planned for by way of an allocation in the LDF, such a development would fall outside the PSA (albeit inside the town centre boundary) and could therefore represent an "edge of centre" development and would have to be subject to a rigorous assessment of quantitative need.

5.12 For the purpose of the scenario building exercise that we are undertaking, we have assumed that Lend Lease's aspiration could be for 23,225m$^2$ (250,000 ft$^2$) net of principally comparison goods floorspace. This is a generous assumption, in our view, and assumes that the market would support this level of increase in floorspace, in addition to the Mell Square proposals which we take as a "given". We assume that, given the need for significant relocations, a scheme could be delivered before 2021, but probably not until 2011 at the earliest. Further discussions with Public Sector Stakeholders will inform this assumption further.

**"Other" Town Centre Comparison Goods Development**

5.13 It may be sensible to include, for the purpose of scenario building, the potential for other town centre retail development which could arise through general remodelling of existing retail floorspace or small scale redevelopment. We have assumed that by 2021 perhaps 2,787m$^2$ (30,000 ft$^2$) net of additional comparison goods retail floorspace might be delivered through this route.

5.14 In summary, we consider that it is sensible for this Study to assume the following possible development scenarios in Solihull town centre.

| | 2006-2011 | 2011-2016 | 2016-2021 | |
|---|---|---|---|---|
| Mell Square Refurbishment | 13,935m$^2$ | - | - | |
| Mell Square Extension | - | Possibly, 5,574m$^2$ | - | |
| Touchwood Phase II | - | - | 23,225m$^2$ | |
| "Other" | 929m$^2$ | 929m$^2$ | 929m$^2$ | |
| **Total (Net Floorspace)** | **14,864m$^2$** | **6,503m$^2$** | **24,154m$^2$** | **45,521m$^2$** |

5.15 On the basis of the above we consider it sensible to review against the advice on quantitative need in the Regional Centres Study a range of retail development scenarios. The range is:-

- from **16,722m$^2$** comprising Mell Square refurbishment and "other" town centre developments; to
- **45,521m$^2$** of predominantly comparison goods shopping comprising Mell Square refurbishment and extension, Touchwood Phase II and "other" development in the centre.

5.16 The higher figure represents a very significant increase in comparison goods floorspace in the centre. Goad reported total comparison goods floorspace of 53,700m$^2$ in the centre in 2005. Consequently, this magnitude of increase would almost double the amount of comparison goods floorspace in the town centre. Even assuming that a significant proportion of new floorspace would be taken up by other A-Class uses, this is a **significant growth** scenario and may have significant and challenging transport and other ramifications.

5.17 The lower figure still represents an increase of approximately 30% of comparison goods floorspace in the centre. However, this is a scenario which we concluded above would not require any additional policy support over and above the general level of support provided by PPS6 for the remodelling and increased efficiency of town centre retail floorspace. It also assumes no significant change post 2011. One might term this option limited growth although, bearing in mind the need for Morley to improve Mell Square, it might more sensibly be called a **minimum growth** scenario.

**KEY MESSAGES AND ISSUES**

5.18 **Key messages and issues arising include the following:-**

- **How realistic are these possible comparison goods retail development scenarios?**
- **How do they relate to the quantitative need assessment within the Regional Centres Study?**
- **Is there likely to be sufficient market demand to support this level of comparison goods floorspace in the centre in the short and long term?**

# 6. Solihull Positioning in any Regional Retail Hierarchy

6.1 PPS6 adopts a "centres first" approach to accommodating new retail development and other *"main town centre uses"* and requires that local planning authorities *"plan positively for their* [centres] *growth and development"* in their DPDs. This advice applies to all centres at all levels in the network/hierarchy.

6.2 A clear view of the existing placement of a centre in the network/hierarchy, and a strategic view of its future position, is a fundamental prerequisite to decisions on the strategy to be set out in the Core Strategy DPD. Is the strategy one of expansion through positive promotion of growth to move the centre to a higher level in the hierarchy? Alternatively, is it one of consolidation and restraint?

6.3 The Regional Centres Study appraises the current hierarchy of centres (Chapter 5) using as its base the network of 25 centres defined in the existing RSS. Table 5.1 defines the retail hierarchy by reference to comparison goods turnover only. Using this measure, Solihull Town Centre is placed in the third tier of the hierarchy although the text at para 5.11 notes that Solihull is *"at the top of this third tier (and pushing towards the second level) …"*.

6.4 It is not clear what significance should be given to the placement of the divisions between first and second, second and third, third and fourth (and so on) levels in the hierarchy. Table 5.1 refers to Birmingham as the *"Regional Centre"*. One might logically and reasonably conclude that the second tier centres (Merry Hill, Coventry, Hanley and Wolverhampton) are the *"sub-regional"* centres. However, that would place Solihull and others (including Worcester, Shrewsbury, Walsall and Telford) as large *"town centres"* not of sub-regional significance. That would not appear logical given our view of the role and function of those centres and that Worcester, Shrewsbury, Telford and Hereford are *"sub-regional foci towns"* outside the MUA and so, presumably, their centres also perform sub-regional functions.

6.5 The division between tiers in the hierarchy appears almost arbitrary and not a good basis for making decisions on the categorisation of centres' regional significance. Tier 2 includes centres with comparison goods turnovers in the range of £500m to £700m. Tier 3 comprises centres with a comparison goods turnover in the range of £300m to £500m.

6.6 Turnovers within tier 3 vary from £315m (Leamington Spa) to £485m (Solihull) giving a range of £170m. The turnover difference between Solihull at the top of tier 3, and Wolverhampton at the bottom of tier 2, is much less at £96m. Similarly, Solihull is only £15m off the turnover limit for inclusion in tier 2 (which may be the "sub regional" centres). This suggests (if comparison goods turnover is, of itself, a good indicator of function) that Solihull is more akin to Wolverhampton than it is to most of the centres in tier 3 and that it is functioning as a sub-regional function now (at least in retail turnover terms).

6.7 In fairness to Roger Tym and Partners, they do not try to assign functional descriptions to the various tiers in their assessment and may not have intended that their hierarchy be used in defining the typologies of centres in the network. For this reason, it is perhaps more sensible to refer to centres as being within the second tier, third tier, fourth tier and so on.

6.8 Only a modest increase in floorspace/turnover for town centre comparison goods floorspace would be needed to move Solihull into the £500-£700m tier. If the Regional Centres study is suggesting that tier 2 centres are the sub-regional centres, and that tier 3 centres are not, we conclude at this stage that Solihull can only be prevented from moving to tier 2 *"sub regional"* status by preventing the refurbishment of Mell Square as currently envisaged by Morley.

6.9 Put another way, our *"minimum growth"* scenario from Section 5.0 would push Solihull into the second tier. The *"significant growth"* scenario might push Solihull towards the top of the second tier. That assumes, of course, that the thresholds between the tiers remains constant over time. It assumes also (unrealistically) that other centres in tier 2 do not themselves improve and increase their turnover.

6.10 Table 5.2 in the Regional Centres Study sets out RTP's views on the existing hierarchy *"based almost exclusively on our estimates of comparison goods turnover, which in turn reflects the numbers of people served by the centres"* (para 5.16). Table 5.2 also identifies the roles of centres in terms of the geographical areas that they are served and the extent to which they operate in competition with other strategic centres. Solihull serves the *"Birmingham/Solihull MUA"* with no other centres serving the same area with the exception of the regional centre.

6.11 Importantly, no other centre is identified as being rising or falling in its influence and all are (para 5.16) *"firmly positioned within these five levels"* although it is noted that *"the exception is Solihull which is rapidly rising in influence and pushing to join the second tier"*. This recognition is important and has major implications for Solihull Council's response to the Regional Centres Study and the future draft RSS policy framework.

6.12 The only distinction that we can see between the second and third tiers is that thresholds for referral of development proposals to the RPB change at the boundary between tiers 2 and 3. In tier 2, only schemes of more than 20,000 sqm gross are referred to the RPB (25,000 sqm in Birmingham) whereas the trigger for referral in tier 3 is only 10,000 sqm gross.

**KEY MESSAGES AND ISSUES**

**6.13 Key messages and issues arising include the following:-**

- **Is the reason for the distinction between centres at the £500m turnover level to differentiate between "sub-regional centres" and large "town centres" or only to provide a basis for Roger Tym and Partners' quantitative need growth options assessment?**

- **If it is the intention of the RSS to distinguish between sub-regional and other centres, is an assessment based only on comparison goods turnover robust?**

- **What role do the third tier centres perform? Instinctively, we consider that most are of "sub-regional" significance.**

- **Roger Tym and Partners note Solihull's rising influence but do not suggest that is either a good or bad thing from the point of view of its impact on the hierarchy of the centres. Solihull will need to develop it own views on that in the context of the possible development scenarios noted in Section 5.0 to feed into the RSS Review.**

- **Might the RSS seek to operate a policy of consolidation and restraint in relation to Solihull's role in the hierarchy?**

# 7. Regional Centres Study – Growth Options

7.1 We have noted earlier that we have not yet undertaken an assessment or critique of the Roger Tym and Partners quantitative need.

7.2 We note the methodology of the quantitative need assessment in Section 6.0 of the Study and for the purpose of this Directions Paper, we will assume that it is generally robust.

7.3 We note also the approach that has been taken to the identification and evaluation of alternative policy-based distributions of comparison goods floorspace requirements. The range of options is fair and, again, the policy objectives and policy aims used to test the performance of the options are sensible. The evaluation matrix is admittedly simple but we do not criticise it for that; we merely flag that it may be appropriate to consider weighting certain policy aims more highly than others. RTP then discard poorly performing options to concentrate only on the best performing options.

7.4 No account is apparently taken in the assignment of need between centres of physical constraints to delivery. However, Table 8.1 (which summarises RTP's recommendations for accommodating strategic growth) includes an assessment based of *"physical capacity and implementation implications"* taken from Section 5.0. For Solihull, the score is "3, P, I, C" which means that Roger Tym perceive significant physical, conservation and Infrastructure constraints. Other Direction Papers will inform the Council on these considerations.

7.5 Table 7.4 summarises the modelling of the various distribution options in terms of mid-point floorspace requirements. Table 8.1 then summarises for each centre the range of floorspace requirements generated by the each of the 6 *"preferred options"*. For Solihull, the figures given in Table 8.1 are a minimum requirement of 16,000 sqm (176,000 sqft) (net) and a maximum of 36,000 sqm (387,360 sqft) net. The figures are *"before commitments are deducted"* but we note from Table 7.4 that there are no commitments in Solihull.

7.6 The following table compares the development scenarios that we considered in Section 5.0 with those in Table 8.1 of the Regional Centres Study.

| | Minimum sqm (net) | Maximum sqm (net) |
|---|---|---|
| GVA Development Scenarios | 16,722 | 45,521 |
| RTP Range (Table 8.1) | 16,000 | 36,000 |

7.7 From this we can conclude (subject to confirmation from Morley of the net increase in floorspace arising from their refurbishment) that the "minimum growth" scenario that we identified in Section 5.0 is likely to be capable of being accommodated up to 2021 within the terms of the RSS, if that adopts RTP's recommendations on need. This is, of course, potentially encouraging.

7.8 The "maximum growth" scenario could not be accommodated although, again, we need confirmation from Lend Lease on their aspirations for expansion. It should be noted also that we consider our estimate of 23,225m$^2$ (250,000 ft$^2$) net of principally comparison goods floorspace from any Touchwood Phase II to be generous.

**KEY MESSAGES AND ISSUES**

**7.9 The key messages and issues arising include:-**

- **the need to review the Regional Centres Study with its full appendices to test in general terms whether the conclusions on need are robust in all scenarios;**
- **the critical need to understand more clearly the potential scale of development that may arise from the Mell Square and Touchwood Court development scenarios as that will inform Solihull's response to the WMRA;**
- **whether it is desirable to have a range of floorspace requirements stated in the RSS <u>if</u> Solihull cannot rely on anything more than the minimum amount being supported by the RPB;**
- **the need to consider how Solihull might want any floorspace range to be phased over the period 2006 to 2021 to fit in with development aspirations (and perhaps its own estate strategy); and**
- **the need to to be able to advise the WMRA authoritatively that there are no significant constraints to delivery and that Solihull's "3, P, I, C" rating is inaccurate (if that is the case).**

# 8. Implications For The Town Centre Strategy

8.1 We consider that there are seven principal issues with implications for the town centre strategy arising from the preceding sections.

1. A clear view of the existing position of Solihull town centre in the regional network/hierarchy, and a strategic view of its future position, is a fundamental prerequisite to decisions on the policy strategy to be set out in the Council's LDF. It is fundamental also to the Council's response to the WMRA on the Regional Centres Study.

2. The proposals to refurbish and remodel Mell Square in the short term achieve the minimum level of growth in comparison goods floorspace advocated for Solihull in the Regional Centres Study and represent consolidation rather than expansion. They should be encouraged.

3. An extension to Touchwood (alongside Mell Square) in the longer term would deliver the maximum level of growth in comparison goods floorspace advocated for Solihull in the Regional Centres Study. On the face of it, if the recommendations in the Regional Centres Study are carried through to policy in the RSS, an extension to the PSA to accommodate growth would be supportable, subject (probably) to a clear phasing policy.

4. An extension to Touchwood would apparently require the Council and/or the Police and Magistrates Court to develop and adopt estate strategies involving relocation to facilitate land assembly, and any displaced uses would need to be accommodated elsewhere, possibly in the centre.

5. This level of growth might, however, have significant capacity implications for the highway network and would raise challenging conservation/heritage issues. Whether those are absolute constraints to this level of development within the centre is uncertain at this stage.

6. The property market context is considered in Direction Paper No 1 which concludes that there are significant opportunities to deliver not just retail but also office, leisure and residential development in the Borough and in the centre.

7. In relation to the other three centres, all perform District Centre roles serving their local catchments. Should the policy approach to be adopted for all three be to consolidate their role?

# Appendix 1: Retail and Town Centre Policy Review

# Appendix 1 Retail and Town Centre Policy Review

1.1 The following statements of national, regional and local policy are of relevance in providing the wider policy context for the preparation of the Solihull Town Centre Study.

- National Planning Policy (PPS's and PPG's);
- Regional Planning Guidance for the West Midlands (RPG11) June 2004;
- Solihull Unitary Development Plan 2001- 2011;
- The North Solihull Strategic Framework February 2005

1.2 An introduction to these core policy documents is provided below:

**National Planning Policy**

**PPS 1: General Policy and Principles (2005)**

1.3 PPS1 is built around three themes, sustainable development, the spatial planning approach (which aims to integrate policies for development and use of land with other policies and programmes, which influence the nature of places, and how they function) and greater community involvement in planning. The Solihull Town Centre Study will need to reflect these key requirements given that it will inform the preparation of the Solihull Local Development Framework, and in particular, the development of an Area Action Plan for Solihull Town Centre.

**PPS6: Planning for Town Centres (2005)**

1.4 Planning Policy Statement 6 sets out the Governments national policies and principles in relation to town centres and the location and development of main town centre uses including:

- Retail (including warehouse clubs and factory outlets);
- Leisure, entertainment facilities, and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls);
- Offices, both commercial and those of public bodies; and

- Arts, culture and tourism (theatres, museums, galleries and concert halls, hotels, and conference facilities).

**The Government's Objectives**

1.5 The Government's key objective for town centres is to promote their vitality and viability by:

- Planning for the growth and development of existing centres; and
- Promoting and enhancing existing centres by focusing development in such centres and encouraging a wide range of services in a good environment, accessible to all.

1.6 PPS6 also identifies three "other" objectives to be taken into account in the context of the key objectives namely:

- enhancing consumer choice by making provision for a wide range of services to meet the needs of all;

- supporting efficient, competitive and innovative retail, leisure and tourism sectors and improving their productivity; and

- improving accessibility to existing and new development by a choice of means of transport.

1.7 Paragraph 1.5 then identifies 5 'wider policy objectives' which are relevant to retail planning and they are consistent with the Government's key objectives for town centres. These are:

- to promote social inclusion by ensuring access to a range of town centre uses and rectifying deficiencies in provision;

- to encourage the regeneration of deprived areas;

- to promote economic growth;

- to promote the delivery of more sustainable patterns of development; which lead to a reduction in the need to travel, particularly by car; and

- to promote the promotion of high quality and inclusive design.

1.8 Regional planning bodies (RPBs) and local planning authorities (LPAs) are required to implement these Government objectives by planning positively for the growth and development. In order to achieve this objective they should:

- develop a hierarchy and network of centres;
- assess the need for further main town centre uses and ensure there is the capacity to accommodate them;
- focus development in, and plan for the expansion of existing centres, as appropriate, and at the local level identify appropriate sites in development plan documents;
- promote town centre management, creating partnerships to develop, improve and maintain the town centre, and manage the evening and night time economy; and
- regularly monitor and review the impact and effectiveness of their policies for promoting vital and viable town centres (Paragraph 1.6).

**Positive Planning for Town Centres: A Plan-led Approach**

Promoting Growth and Managing Change in Town Centres

1.9 Paragraphs 2.3 to 2.8 of PPS6 relate to the role of LPAs in promoting growth and managing change in town centres. Paragraph 2.3 states that LPAs should actively plan for growth and the management of change in town centres over the period of their development plan documents by:

- selecting appropriate existing centres to accommodate growth, by making the best use of existing land and buildings, and where necessary extending the centre;
- managing the role of existing centres through the promotion of specialist activities, or specific types of uses; and
- planning for new centres of an appropriate scale in areas of significant growth, or where there are deficiencies in the existing network.

1.10 Paragraph 2.4 requires that growth should be accommodated, wherever possible, by '*...more efficient use of land and buildings within existing centres*, LPAs '*...should also seek to ensure that the number and size of sites identified for development or redevelopment are sufficient to meet the scale and type of need identified.*'

1.11 Where growth cannot be accommodated within existing centres, paragraph 2.5 advises LPAs to plan for:

- the extension of the primary shopping area, if there is a need for additional retail provision; and
- the extension of the town centre, to accommodate other main town centre uses.

1.12 Where existing centres are in decline, PPS6 advises LPAs to '*...assess the scope for consolidating and strengthening these centres by seeking to focus a wider range of uses there, promote the diversification of uses and improve the environment*'. However, where a reversal of decline is not possible, LPAs are advised to consider a reclassification of the centre, so as to reflect its revised status in the hierarchy. This may include allowing retail units to change to other uses, whilst attempting to retain vital services such as post offices and pharmacies.

**A Proactive Plan-Led System**

The Role of Regional Plans

1.13 Paragraphs 2.12 to 2.14 of PPS6 set out the key policy requirements placed on RPBs in developing their Regional Spatial Strategies (RSSs). The over-arching requirement for RPBs is to set out a vision and strategy for the region's growth, particularly for higher level centres, and to provide a strategic framework for planning at the local level. In preparing revisions to their regional spatial strategy, the RPB must:

- develop a strategic framework for the development of a network of centres, and consider whether there is a need to avoid an over concentration of growth in the higher level centres;
- make strategic choices about those centres of regional and sub-regional significance where major growth should be encouraged and to consider where appropriate the need for new centres to be developed in areas of planned major growth;
- consider the need for additional floorspace in the comparison retail, leisure and office sectors over the period of the RSS and for five-year periods within it, and having regard to capacity and accessibility considerations, identify where the identified needs would best be met;

- monitor and regularly review the implementation of the strategy; and

- identify the need for major town centre development of regional or sub-regional significance.

Networks and Hierarchies

1.14 Paragraphs 2.9 to 2.11 of PPS6 provide further advice in relation to the development of the network and hierarchy of centres, at both the regional and local levels. At both levels, authorities should plan carefully how best to distribute any identified growth to achieve the objectives of this spatial strategies. In defining their spatial objectives, RPBs and LPAs:

> *'...should consider whether there is a need to rebalance the network of centres to ensure that it is not overly dominated by the largest centres, that there is a more even distribution of town centre uses, and that people's everyday needs are met at the local level'* (paragraph 2.9).

1.15 In considering the development of the network and hierarchy paragraph 2.9 asks, RPBs and LPAs to consider:

- whether there is a need to avoid over concentration of growth in the higher level centres;

- the need for investment and growth in those centres needing to be regenerated; and

- the need to address deficiencies in the network by promoting centres to function at a higher level in the hierarchy.

1.16 Any change in the role and function of a centre must come through the development plan process. (paragraph 2.10).

The Role of Plans at the Local Level

1.17 Paragraphs 2.15 to 2.18 of PPS6 consider the role of the development plan system at the local level. Paragraph 2.15 requires LPAs to adopt a positive and proactive approach to planning for the future of all types of centres within their areas. In line with the RSS and their community strategies, LPAs should prepare a core strategy development plan document which sets out '...a spatial vision and strategy for the network and hierarchy of centres, including local centres, within their area, setting out how the role of different centres will contribute to the overall spatial vision for their area'.

1.18 Paragraph 2.16 requires that LPAs should work with stakeholders and the community to:

- assess the need for new floorspace for retail, leisure and other town centre uses, taking account of both quantitative and qualitative considerations;
- identify deficiencies in existing provision, assess the capacity of existing centres to accommodate new development including where appropriate, the scope for extending the primary shopping area and/or town centre, and identify centres in decline where change needs to be managed;
- identify the centres within their area where development will be focused, as well as the need for any new centres of local importance, and develop strategies for developing and strengthening centres within their area;
- define the extent of the primary shopping area and the town centre for the centres in their area, on their Proposals Map;
- identify and allocate sites in accordance with the considerations set out in paragraphs 2.28 to 2.51;
- review existing land use allocations and reallocate sites which do not comply with this policy statement;
- develop spatial policies and proposals to promote secure investment in deprived areas by strengthening and/or identifying opportunities for growth of existing centres, and to seek to improve access to local facilities (paragraphs 2.55 – 2.59); and
- set out criteria based policies for assessing proposals on sites not allocated in development plan documents;
- set out criteria based policies, in accordance with PPS6, for assessing and locating new development proposals, including development on sites not allocated in development plan documents; and
- distinguish between primary and secondary frontages. (Annex PPS6).

1.19 Paragraph 2.18 identifies the important role that town centre strategies can play in ensuring the continued vitality and viability of centres. These can also assist in forming part of the evidence base for development plan documents, including area action plans.

1.20 Paragraphs 2.19 to 2.22 of PPS6 highlight the need for high quality and inclusive design, the importance of accessibility and safety and the need for efficient use of land through the promotion of higher-density mixed-use development. Paragraphs 2.23 and 2.26 deal with the management of the evening economy and the need for a range of leisure, cultural and tourism activities and paragraph 2.27 seeks to promote the retention and enhancement of existing markets and, where appropriate, the creation of new ones.

Site Selection and Land Assembly

1.21 Paragraphs 2.28 to 2.52 deal with site selection and land assembly in the forward planning process. Paragraph 2.28 sets out the five key considerations for local authorities when they are selecting sites for development; these are to:

*'a) assess the need for development (paragraphs 2.32-2.40);*

*b) identify the appropriate scale of development (paragraphs 2.41-2.43);*

*c) apply the sequential approach to site selection (paragraphs 2.44-2.47);*

*d) assess the impact of development on existing centres (paragraph 2.48); and*

*e) ensure that locations are accessible and well serviced by a choice of means of transport (paragraphs 2.49-2.50).'*

1.22 In applying these considerations, LPAs are required to work closely with retailers, leisure operators, developers, other stakeholders when considering sites for allocations in development plan documents.

1.23 Paragraphs 2.32 – 2.50 provide additional advice to LPA's on the process of site selections. The key considerations are summarised briefly below:

- Need assessments for the development plan period should be undertaken as part of the plan preparation and review process (paragraph 2.32);
- These assessments should inform and be informed by regional needs assessments and form part of the development plan document evidence base (paragraph 2.32);
- Quantitative need assessments should provide sufficient information on which to base

strategic choices about where growth should be accommodated and how it can be used to regenerate centres or address deficiencies in provision (paragraph 2.34);

- The physical capacity of centres to accommodate new office development and the town centres role in the hierarchy will be relevant to planning for new development (paragraph 2.39);
- In selecting sites for development, local planning authorities should ensure that the scale of opportunities identified are directly related to the role and function of the centre and its catchment (paragraph 2.41);
- A sequential approach should be applied in selecting sites for allocation within the centres where identified need is to be met (paragraph 2.44);
- LPAs should be sensitive to the needs of the community and stakeholders, including developers and operators, and identify sites which will become available during the plan period and which would allow for the accommodation of the identified need. (Paragraph 2.45);
- LPA's should where appropriate, include policies and proposals in their DPD's for the phasing and release of sites over the development plan period (paragraph 2.46);
- Where the potential allocation of a site in a centre would substantially increase the attraction of the centre and could impact on other centres, the impact on other centres will also need to be assessed (paragraph 2.48); and, LPA's should have regard to whether the sites accessibility by a choice of means up transport and its potential impact on car use, traffic and congestion.

**PPS11: Regional Spatial Strategies**

1.24 National policy guidance on Regional Spatial Strategies (RSS) is set out in Planning Policy Statement 11: Regional Spatial Strategies. Under section 38 (3) of the Planning and Compulsory Purchase Act 2004 ('the 2004 Act'), the RSS is part of the statutory development plan.

1.25 PPS11 provides guidance on the purpose, scope and policy content of the RSS, together with advice on the procedures to be adopted for their preparation. Section 39 of the 2004 Act sets an objective for the RSS to contribute to the achievement of sustainable development. In order to deliver this objective, PPS11 requires that the RSS should provide a broad development strategy and vision for the region covering a fifteen to twenty year period and in doing so, consider the role that the regions network of town and city centres can play in meeting the Governments objectives.

1.26 Further guidance on the role of the RSS in providing a strategic framework for the development of the regional network of centres and the policy requirements placed on Regional Planning Bodies (RPBs) in planning for their future development is set out in PPS6: Planning for Town Centres.

1.27 A key principle underpinning the procedures identified in PPS11 for the preparation of the RSS, is the need for each RSS to be founded on a *"robust and credible evidence base"*. The preparation of the Solihull Town Centre Study will therefore have a key role to play in informing the on-going review of the RSS and in guiding the nature and direction of the Councils future policy responses throughout the process of reviewing the West Midlands RSS.

**PPS12: Local Development Frameworks**

1.28 National policy for the preparation and monitoring of Local Development Frameworks is set out in the Government's Planning Policy Statement 12: Local Development Frameworks (LDFs). A Local Development Framework is a non-statutory term to describe a portfolio of Development Plan Documents (DPD'S) that will include policies, proposals and other documents to guide development at the local level, within the overarching context of the RSS. These will include:

- **The Core Strategy –** this will set out the spatial vision, spatial objectives, policies and a monitoring and implementation framework for a local authority area;
- **Site Specific Allocations** - this will show the allocation of land for specific uses and must be set out in a Development Plan Document;
- **Area Action Plans –** this may include proposals for conservation areas or areas which will be the subject of major change, including town centres; and
- **Development Control Policies –** which will be included in any of the above documents.

1.29 Further guidance on the respective roles the different types of development plan documents in planning for the future development of town and city centres at the local level, is set out in PPS6: Planning for Town Centres.

1.30 A key role for the Solihull Town Centre Study will be to assist the Council in the development of their evidence base for the preparation of the Solihull Local Development Framework and in particular the DPD's identified above.

**Regional Planning Policy**

**The Regional Spatial Strategy**

1.31 Regional Planning Guidance for the West Midlands (RPG11) was published on 16 June 2004. Under the provisions of the Planning and Compulsory Purchase Act 2004 it became the Regional Spatial Strategy for the West Midlands in September 2004. RPG11 provides the statutory framework to guide planning within the West Midlands level until 2021.

1.32 The long term vision for the West Midlands Region is set out in Chapter 2 of RPG11, and within the context or Government's overarching aim of achieving sustainable development, states:

> *"The overall vision for the West Midlands is one of an economically successful, outward looking and adaptable Region, which is rich in culture and environment where people, working together, are able to meet their aspirations and needs without prejudicing the quality of life of future generations."*

1.33 Paragraph 3.4 of RPG11 identifies four major challenges facing the Region:

*a)* ***Urban Renaissance*** *– developing the MUA's in such a way that they can increasingly meet their own economic and social needs in order to counter the unsustainable outward movement of people and jobs facilitated by previous strategies;*

*b)* ***Rural Renaissance*** *– advertising more effectively the major changes which are challenging the traditional roles of rural areas and the countryside;*

*c)* ***Diversifying and modernising the Region's Economy*** *– ensuring that opportunities for growth are linked to meeting needs and that they help reduce social exclusion; and*

d) ***Modernising the transport infrastructure of the West Midlands*** – *supporting the sustainable development of the Region.*

The Spatial Strategy

1.34 The Spatial Strategy can be summarised as enabling all parts of the Region to sustainably meet their own needs, is a mutually supportive way. Paragraphs 3.6 to 3.10 set out a series of comprehensive policy approaches which will be pursued across different parts of the Region. These include promoting within the Major Urban Areas of Birmingham/Solihull, the Black Country, Coventry and North Staffordshire……"*a balanced network of vital and vibrant town and city centres as the strategic focus for major retail, leisure and office developments.*"

1.35 Paragraph 3.11 of the RPG adds that:

> *"The key to the Spatial Strategy is achieving an urban renaissance in the four MUA's of Birmingham/Solihull, the Black Country, Coventry and the North Staffordshire conurbation. Nonetheless, the ultimate aim of the Spatial Strategy is a Region made up of a dynamic network of places, all important in their own right and with distinct characteristics, but with reinforcing economic cultural and social functions. An important part of this is the development of a balanced network of town and city centres (PA11) that will act as the focus for major investment in retail, leisure and office developments."*

1.36 Central to the policy approach promoted by RPG11 is the need to ensure that each of the MUAs develop enhanced economic and social roles, and build upon their roles as service centres for cultural activities and their historic heritage:

- **Birmingham** – strengthening its role as the Regional Capital with emerging world city status;
- **The Black Country** – continuing its economic, physical and environmental renewal focused around improved infrastructure and the regeneration of town and city centres (including Walsall, West Bromwich and Wolverhampton) to create modern and sustainable communities;
- **Coventry** – continuing to build upon its reputation as a forward-looking city which, along with Solihull and Warwickshire, can help create an important growth engine for the Region with links to the growing parts of the South East and the East Midlands regions; and
- **North Staffordshire** – building on its traditional strength of ceramics and engineering but realising its potential as an accessible location, with good links to the East Midlands and the more prosperous parts of the North West region.

1.37 Beyond the MUA it is proposed that the major shire town and cities, continue to act as a focus for new investment and regeneration. In this way it is hoped to deliver the key Spatial Strategy Objectives set out in paragraph 3.14 of RPG11 which include:

- To make the MUAs of the West Midlands increasingly attractive places where people want to live, work and invest;

- To create a joined up multi-centered Regional structure where all areas/centres have distinct roles to play;
- To support the cities and towns of the Region to meet their local and sub-regional development needs;
- To promote the development of a network of strategic centres across the Region; and
- To promote Birmingham as a world city.

Urban Renaissance

1.38 **Policy UR1** recognises the key roles that the rejuvenation of the regions urban centres has to play in securing the Urban Renaissance of the West Midlands Region. This policy theme is further developed through policies UR2 and UR3 which set out a series of policy objectives to guide the regeneration and development of the Regions wider network of towns and city centres as drivers of economic growth.

Prosperity for All

1.39 The principal objective of the policies set out in Chapter 5 of RPG11 is to contribute to maintenance of high and stable levels of economic growth as a key element of the overall strategy for sustainable development of the Region. This finds a spatial expression through:

- **Policy PA2** – focusing investment within Urban Regeneration Zones including the East Birmingham and North Solihull E2.
- **Policy PA3** – identifying three High Technology Corridors (HTC), including Coventry, Solihull and Warwickshire HTC within which cluster developments will be promoted.
- **Policy PA10** – supporting the further development and success of key Regional tourism and cultural assets including the National Exhibition Centre and Birmingham International Airport.

Town and City Centres

1.40 Policy PA11 of RPG11 identifies a network of 25 strategic town and city centres across the Region which are the focus for major retail, leisure and office developments. RPG11 does not set out a formal hierarchy of roles for the centres identified, other than identifying

Birmingham as the regional capital and on international city (**policy PA12**). Instead the network of town and city centres set out in Policy PA11 should be seen as a network within which the polycentric concept of complimentary centres rather than one of the centres in competition with each other.

1.41 Policy PA11 seeks to ensure that the network of 25 strategic towns and city centres, including Solihull, is the focus for major new retail developments (that is, proposals with a gross floorspace of 10,000 sqm and above, excluding convenience goods floorspace), and large scale leisure and office developments (that is, those with a gross floor space of 5,000 sqm and above).

1.42 RPG11 recognises Merry Hill as an important Regional shopping destination which may have potential to assist in the regulation of the South Black Country and West Birmingham Regeneration Zone. It is noted that this regeneration zone must be balanced with the regeneration needs of other strategic and vulnerable centres. RPG11 states (Paragraph 7.64) that the RPB should reach strategic views on:

a) regeneration priorities within the Region/Black Country sub region;

b) the balance between centres, in particular which centres in the Region/Sub-Region should be the focus for major growth to assist in their regeneration; and then

c) the role of Merry Hill and, if appropriate, the timing of any future large scale development there.

1.43 Paragraph 7.64 goes on to state that the RPB's view on Merry Hill should be informed by the Black Country Study and the work on creating a balanced network of centres.

1.44 To support the regeneration and development of the network of 25 town and city centres, PA13 states that "it is not envisaged that any further large scale (10,000m gross) out-of-centre retail developments or extensions to existing developments will be required during the period covered by this RPG."

**RSS Review**

1.45 In approving the Regional Spatial Strategy for the West Midlands, (RPG11 – June 2004), the Secretary of State identified a number of policy issues that needed to be addressed in future review/revisions to the document.

1.46 The Regional Planning Partnership of the West Midlands Assembly known as the Regional Planning Body (RPB) has agreed that any future revision to the RSS should be brought forward on a multi-track basis and that the issues identified by the Secretary of State will be looked at in three phases:

- Phase 1 – Black Country Study, a plan for the long term change and development of the Sub-region including the City of Wolverhampton and the Borough of Dudley, Sandwell and Walsall, launched in February 2005 and scheduled to be submitted to the Secretary of State on 31 May 2006.

- Phase 2, including the identification of investment priorities within the strategic network of centres, housing needs, urban capacity, employment land, airports, road user changing and waste management, to be launched in November 2005 and submitted to the Secretary of State in June 2007.

- Phase 3, including rural issues, to be launched in the summer of 2007 and submitted to the Secretary of State in early 2009.

1.47 The RPB has accepted the principle that any policy decision made in respect of Phase One (the Black Country Study) will stand during the consequent Phase Two Revision Process, unless there are exceptional circumstances which dictate otherwise.

Phase 1 RSS Revision – Black Country Study

1.48 The Black Country Study has now been completed and, following earlier consultations the draft RSS Phase 1 Revision was submitted to the Secretary of State on 31 May 2006.

1.49 The Draft Regional Spatial Strategy (RSS) Phase 1 Revision focuses on promoting development in centres and Corridors in order to achieve the Black Country Vision to 2031 for sustainable growth and competitiveness.

1.50 The main policy areas to which revisions are proposed are:

- **Urban Renaissance** – setting out the Black Country regeneration priorities for implementing urban renaissance in this Major Urban Area.

- **Communities for the Future** – setting out a Black Country wide approach to future housing provision to meet RSS Housing targets to 2021.

- **Prosperity For All** – setting out proposals for the designation of Brierley Hill/Merry Hill as a Strategic Centre, replacing Dudley Town Centre for which a new heritage and tourism role is proposed.

1.51 An important element of the sub regional spatial strategy is its strong emphasis on focusing retail and office growth, together with leisure and the development of 'city living' in four strategic centres in the Black Country operating as a network connected to each other and Birmingham.

1.52 The four strategic centres for growth and expansion will be Wolverhampton City Centre, Walsall Town Centre, West Bromwich Town Centre and Brierley Hill/Merry Hill. The Revision therefore proposes the designation of Brierley Hill/Merry Hill as a new Strategic Centre, replacing Dudley Town Centre within the Policy PA11 network of 25 Strategic Centres. However, Dudley will continue to have an important role based on tourism, its cultural assets and residential development.

1.53 In order to deliver the Black Country Vision it is proposed to promote the expansion of the four strategic centres to accommodate a further 185,000 sqm retail (comparison) floor space, 745,000 sqm office floor space and 5,000 new homes over the period to 2021.

1.54 A formal consultation exercise, on the proposed Phase 1 Revision is currently being undertaken following the submission of the draft RSS Revision to the Secretary of State at the end of May 2006.

Phase II RSS Revision

1.55 Phase Two of the Regional Spatial Strategy Revision is a partial revision and is being undertaken in the context of the Approved Regional Spatial Strategy. The objectives and tasks of the Phase Two Revision are set out in the Draft West Midlands Regional Spatial Strategy – Phase Two Revision Draft Project Plan which was published for comment in November 2005.

1.56 The Phase Two Revision Plan identifies four streams of groups under the Chapter headings of the RSS:

**Prosperity for All**

- A re-examination of employment land needs and requirements;
- A re-assessment of existing strategic employment land designations (para 7.33 of RPG11);

- The identification of the number and broad location of regional warehousing and distribution facilities (para 7.46 of RPG11);
- The identification of investment priorities within the strategic network of centres (para 7.58 of RPG11).

**Communities for All**

- A re-examination of regional housing needs and requirements in the light of updated national projection and the Government's response to the Border Review;
- A re-examination of Urban Capacity across the region;
- A consideration of the role of the Sub-regional Foci (Para 6.7 of RPG11);

**Quality of the Environment**

- Waste management issues (paras 8.81 – 8.91 of RPG11)

**Transport and Accessibility**

- Identification of Strategic Park and Ride Sites (para 9.39 of RPG11);
- Implications of the Airports White Paper (para 9.7 of RPG11);
- Parking Standards (Policy T1 of RPG11);
- Evidence on road user changing (Policy T8 of RPG11).

1.57 In February 2006 the West Midlands Regional Assembly sent a Section 4 (4) Brief for the Phase Two RSS Reviews to all Strategic Authorities of the West Midlands requesting their comments on the Brief on or before 15 May 2006.

1.58 The purpose of the Brief is for the Strategic Authorities to provide advice to the RPB to help shape Options on which there will be consultation in August 2006. In order to ensure that this advice is provided on a consistent basis the RPB has identified a framework which is based around the following principles:

a) in the case of Housing and Prosperity for All, the need to roll forward the 'plan period' to 2026;

b) the need to consider the possibility of providing for a higher rate of housing growth from that set out in the current RSS;

c) the need to work within local housing market areas as defined in the draft PPS3, and

d) in the light of the above (a to c), the need to consider the possibility of identifying sources of additional housing capacity, particularly within the Major Urban Areas.

1.59 In relation to Town Centres, the Strategic Authorities, including Solihull are asked to consider within the context of a) and b) above the following matters:

*1) "What general level of new comparison floorspace do you think it appropriate to be sought at the Strategic Centres within your area up to 2021 taking into account the findings of the Regional Centres study?*

*2) What general level of new office development do you think it appropriate to be sought at the Strategic Centres within your area up to 2021 taking into account the findings of the Regional Centres Study?*

*3) What provision should be made for retail and office development outside of Strategic Centres?*

*4) How should RSS Centres policies be expressed – centre specific, maximum, minimum, a range appropriate to similar centres?*

*5) Are there any centres that would justify being included or deleted in the network of Strategic Centres?*

*6) Following from the above and Secretary of State's request to identify investment priorities for retail, offices and leisure uses between centres, what should these be for your area?"*

1.60 In addition to the Town Centres matters identified above, the Strategic Authorities are also asked to consider a wide range of related issues including:

- What level of new housing development should the RSS Revisions plan for across the region period 2001 – 2026?

- The implications of any expansion/development of Birmingham International Airport, Coventry Airport, Wolverhampton Business Airport for their areas in broad economic and environmental terms.

- Advise on broad locations, including town centres, where more restrictive parking standards are appropriate.

- Consider as to where, and within what context, demand management measures should be developed and what options might need to be identified.

- Are there any requirements for major transport improvements consequent upon future changes in level of housing provision, employment land allocation and the development of strategic centres.

1.61 A number of technical studies have been commissioned to inform the Phase Two Revision to the RSS. These include the West Midlands Spatial Strategy – Regional Centres Study, prepared for the West Midlands Regional Assembly by Roger Tym and Partners. The key findings and policy recommendations of this study are set out in Appendix 2 to this Direction Paper.

**Local Planning Policy**

**Solihull Unitary Development Plan 2006**

1.62 The Solihull Unitary Development Plan (2001 – 2011) was adopted by the Council in February 2006 and is a full replacement for the 1997 Solihull UDP.

1.63 Chapter 8: Retailing and Centres sets out the UDP's core policies for shopping and town centres. **Policy S1** sets out the Councils strategic approach towards planning for the future development of the Boroughs shopping centres and states:

> *"The Council will support development and other proposals that will help to maintain or enhance the vitality and viability of existing shopping centres providing access, by a choice of transport modes, to a range of goods, services and other appropriate activities, provided such proposals meet the following criterion:*
>
> *The scale and type of development is appropriate having regard to the size and function and scale of the centre."*

1.64 **Policy S2** sets out the Councils intention to define primary retail frontages within the Borough's main shopping centres in order to maintain a predominance of uses in Class A1 of the Use Classes Order. **Proposal S2/1** defines the primary shopping frontages within Solihull Town Centre as including:

- *High Street, Nos. 1-161 and Nos. 12 – 134*
- *Poplar Way*
- *Mill Lane*
- *Drury Lane Nos. 10-58 and 5-45*
- *Warwick Road No. 700*
- *Mell Square*
- *Touchwood*

1.65 **Policy S3** sets out the Councils overarching strategy for the development of Solihull Town Centre and states:

> *" Within the boundary indicated on the Proposals Map, the Council will support proposals that will maintain or strengthen the function of the Town Centre in offering a wide choice of shops, employment, leisure and other trip generating facilities and services within an attractive environment. Such proposals could include mixed-use developments.*
>
> *The Council, when considering proposals for development which affect the character or appearance of Solihull Conservation Area, will have regard to the policies relating to Conservation Areas contained within the Environment section of this Plan."*

1.66 The explanatory text to Policy S3 notes that the opening of the Touchwood Court shopping has boosted Solihull Town Centre's position in the regional hierarchy of Centres and that its development will "offset the need for further major retail development in the early years of the Review."

1.67 The Council also recognises that there is a need to promote the improvement of Mell Square to complement the recent development of Touchwood Court. **Proposal S3/1** states that:

> *"The Council proposes to encourage and support proposals for the refurbishment of Mell Square shopping precinct, together with environmental improvement works"*

1.68 **Policy S4** sets out the Councils commitment to supporting proposals that will maintain or strengthen the function of Shirley Town Centre as "an important centre providing a wide range of convenience and comparison goods, employment, leisure and other services." In order to achieve this **Proposals S4/1** and **S4/2** propose the development of a new foodstore on land to the West of the A34 and to the south of Haslucks Green Road and the redevelopment and modernisation of premises within Shirley Town Centre. Proposal S4/3 sets out the Councils intention to bring forward environmental improvements within Shirley Town Centre to increase its attractiveness to shoppers.

1.69 **Policy S5** states that the Council will support proposals that will maintain or strengthen the function of Chelmsley Wood Town Centre as " the focus for the north of the Borough, providing a wide range of shops, employment, leisure and other trip generating facilities and services in an attractive environment". To achieve this objective **Proposal S5/1** sets out the Council's intention to work in partnership with others to bring forward the redevelopment and modernisation of premises within Chelmsley Wood where it will improve and strengthen its function. To complement this **Proposal S5/2** provides support for proposals to improve access to the Centre by a choice of transport modes whilst **Proposal S5/3** states that the Council will undertake a Study to examine the Centres possible wider role in meeting employment, educational and recreational needs of those living in the north of the Borough.

1.70 **Policies S6, S7 and S8** provide support for development proposals which will maintain or enhance the important function of local shopping centres, small shopping parades, free standing shops and village centres in providing for the day to day shopping and other needs of the local communities which they serve.

1.71 Planning applications for retail development outside of the defined town centres within the Borough will be subject to consideration by **Policy S9**. The Policy advises that such development will only be permitted where:

"i) *The development is justified in terms of satisfying an unmet local need;*

ii) *It is clearly demonstrated, having regard to the need for flexibility in format, scale, car parking and scope for desegregation of the development, that the majority of goods to be sold cannot be sold from a town centre location;*

iii) *It is demonstrated that the development will not have a significant adverse impact on the vitality and viability of existing town centres including Solihull, Shirley and Chelmsley Wood town centres or their ability to serve the needs of local people;*

iv) *There are no suitable alternative sites within or adjacent to existing town centres. Where edge an edge-of-centre development is proposed, measures to integrate it into the existing centre will be required;*

v) *The development is easily accessible by a choice of transport modes and will particularly encourage access by public transport, walking and cycling;*

vi) *The development will not have a significant adverse impact on the function of local centres, or local shops, in providing for local day to day needs; and*

vii) *The development is not in conflict with other policies of this Plan."*

1.72 **Policy S10** states that the Council will oppose proposals for the development of major (50,000 sq. m. gross) out of town shopping centres that, because of their scale and the range of goods sold, would have a serious adverse effect on the vitality and viability of nearby town and district centres.

1.73 A number of other plan policies also aim to focus development within the Borough's Town Centres, including **Policy E3** (**Proposal E3/1**), which states that proposals for general office development will be encouraged in the town centres of Solihull, Shirley and Chelmsley Wood on a scale appropriate to the role and function of the centres.

**North Solihull Strategic Framework**

1.74 The North Solihull Strategic Framework (NSSF) sets out a vision and key regeneration objectives for North Solihull. The Framework outlines a delivery and implementation strategy which has been adopted by the Council as Supplementary Planning Guidance consistent with the policies and proposals of the adopted 2006 Solihull UDP.

1.75 The overall vision is underpinned by 4 strategic objectives.

*Quality of life and choice:*

1.76 The Framework seeks to create a sustainable, inclusive and outward-looking community. This is to be achieved by a range of initiatives including better education, retail, leisure, community and healthcare facilities in accessible and attractive locations.

*An engaged and active population:*

1.77 To remove existing barriers to opportunities for residents such as poor health, poverty, crime and education.

*A place of first class connections:*

1.78 New and improved connections to Birmingham International Airport, Birmingham Business Park, the NEC and local service facilities.

*Distinctive character defined by open space:*

1.79 Each residential community will be linked to the green open space that there is in North Solihull, through a series of well-defined safe streets including cycleways. Biodiversity will be enhanced and protected to prevent an offset adverse environmental effects. More effective use of land through higher densities and previously developed land and buildings will be secured.

**Chelmsley Wood Town Centre**

1.80 The NSSF identifies the need to provide adequate and appropriate community facilities as a necessary precursor to the development of prosperous and sustainable communities. The framework proposes a series of 'Community Hubs' including Chemsley Wood to meet local needs.

1.81 Chelmsley Wood is identified as the retail focus for North Solihull and beyond. It is the third largest centre in the Borough, but as a largely purpose built centre it is in the need of refurbishment and development. The Strategic Framework supports and encourages the further improvement of the town centre and its development as the central retail and service focus for North Solihull. A greater mix of town centre uses, including retail, leisure, employment, food and drink and residential uses will be encouraged.

# Appendix 2: Regional Centres Study – Summary of Conclusions and Recommendations

# Appendix 2 Regional Centres Study – Summary of Conclusions and Recommendations

2.1 In January 2005, the West Midlands Regional Assembly appointed Roger Tym & Partners (RTP) to undertake the West Midlands Regional Spatial Strategy – Regional Centres Study.

2.2 The prime purpose of the Study was to assist the Regional Planning Body (RPB) address the issues raised by the Secretary of State in paragraphs 1 31 – 134 and paragraphs 7.54 to 7.69 of the Regional Spatial Strategy (RPG11), published in June 2004.

2.3 The study brief required that the consultants should assist the RPB in identifying the centres in the Region where major new retail, leisure and office development should be focused in order to support urban regeneration, achieve a balanced network, minimise the risk of harm elsewhere, assist vulnerable centres and promote sustainable development. A further requirement was that the consultants should indicate where significant development would not be appropriate and to build on the work being undertaken as part of the Black Country Study in identifying the future role of Brierley Hill/Merry Hill.

2.4 The main aims of the study were in the context of the RSS Review Strategy to provide clear guidance to:

- The scale of retail, leisure and office development that should be accommodated in the region in the period to 2011 and in more broad terms indicative terms from 2011 to 2021;
- How any identified growth in demand for retail, leisure, and office development is likely in broad terms to be distributed across the region taking into account the scale of development that has already been established in some centres through adopted development plans;
- How any identified retail, leisure and office capacity can be directed to those centres that will best promote greater accessibility to facilities, promote the use of sustainable modes of transport (including consideration of park and ride and demand management), not undermine the future of vulnerable centres, and meet any identified gaps in retail, leisure and office provision across the region; and
- The market perceptions of the opportunities for major investment within or outside the network of 25 strategic centres and how this relates to the above.

2.5 The Study area for this work was the whole of the West Midlands region with the focus of the study being on the Strategic Network of Centres identified in RPG11. In undertaking the study, the consultants were required to identify a series of strategic options for accommodating growth within the region. This included the degree to which it was possible to accommodate all of the need identified and/or suitable uses within existing centres and the need for edge and out of centre development in particular locations.

*Market Context*

2.6 Section 4 of the RPT Report provides an overview of the key national trends in retail investment and an examination of the office and commercial leisure markets in the West Midlands Region. The consultants key conclusions in relation to these market sectors is summarised below.

Retail

- Comparison retail expenditure growth in the period 2021 is likely to be in line with the 40 year trend, at around 4 per cent, per capita, per annum. This expenditure growth, when matched with population growth, will generate substantial retail requirements.

- The effects of the national polarisation trend whereby larger town centres, in general, are becoming stronger at the expense of smaller and more vulnerable town centres is evident in the West Midlands Region.

- In the convenience sector, the main national food store operators have increased their market share at the expense of the independent sector and smaller supermarket operators.

- UK internet sales have increased significantly and e-tails market share of total comparison goods sales could rise to 20.2 percent by 2021.

- The growth in e-tail has affected certain market sectors more than others, particularly, books, CDs and high volume electrical goods. High Street retailers are now the primary participants in e-commerce.

Offices

- The increasing importance of access to an appropriate labour pool, the impact of IT, and the current trend towards the out-sourcing of UK call centre activity, will continue to have a significant impact on demand within the office sector.

- Planning policy appears to have little impact on the choice of locations for office development with less than a third of all new floorspace being completed within West Midlands centres over the last three years.

Leisure

- The leisure sector has benefited from the continued growth in household disposable income particularly for those households which fall within the A., B and C1 social groupings.

- Expenditure on leisure services is expected to grow by 1.5 per cent, per capita, per annum with much of this growth absorbed by restaurants, cafes and bars, which currently account for three fifths of total leisure span.

**Defining the Current Hierarchies of Centres**

2.7 In Section 5 of their Report, RTP summarise their qualitative assessment of the Regions network of 25 Policy PA11 centres with the addition of Brierley Hill. The consultants conclusions are set out briefly below:

Retail Hierarchy

2.8 The overall hierarchy of PA11 centres, plus Merry Hill based on comparison goods turnover, is set out in Table 5.1 of the Consultants Report.

2.9 Within the '5 level' hierarchy identified, Birmingham as the regional centre has a comparison goods turnover of almost £1,900m, which is approximately 2.7 times greater than those of Merry Hill and Coventry City Centre, its largest competitors. The second level of centres comprises 4 centres, including Merry Hill, Coventry, Hanley and Wolverhampton, all of which have turnovers in the range of £580m to £700m.

2.10 The third level contains centres with a comparison goods turnover in the range of £300m to £500m, with Solihull Town Centre at the top of this third tier, pushing towards the second level, with a projected turnover of £485.70m. The fourth and fifth level centres comprise centres with a comparison goods turnover in the range of £150m to £250m and £100m to £150m respectively.

2.11 In paragraphs 5.16 – 5.17of their Report RTP consider that *"all but one of the strategic centres (plus Brierley Hill/Merry Hill) are currently firmly positioned within these five levels; the exception bring Solihull, which is rapidly rising in influence and pushing to join the second* *tier.... the hierarchy will evolve over time, but in line with the provisions of PPS6, we consider that any change to the retail hierarchy should occur through the five yearly review of the Regional Spatial Strategy".*

The Office Hierarchy

2.12 In defining the office hierarchy, RTP assessed two indicators: total office employment, and total office floor space in each of the 25 strategic centres (plus the Waterfront at Merry Hill). The overall hierarchy based on a comprise of Employment and Floorspace indicators is set out in Table 5.3 of the Consultants Report.

2.13 This shows that Birmingham is even more dominant in the office hierarchy than in regional retail hierarchy, with the scale of office activity within the city centre five times that of Coventry and Wolverhampton the second and third largest centres in the hierarchy.

2.14 The third level in the office hierarchy comprises the centres of Walsall, Telford, Leamington Spa, Hanley, Dudley and Solihull, with a further 17 centres making up the remaining fourth and fifth levels of the Regional Office hierarchy.

2.15 The Report notes that, apart from Birmingham City Centre, at to a lesser extent both Coventry and Solihull, most new office development in the Region been concentrated in out of centre locations, primarily at motorway junctions along the M42 Corridor, but with new markets emerging along the M5 and M6 Toll corridors.

2.16 In paragraph 5.25 of their study RTP noted the existence of a number of obstacles to office development in town and city centres, including:

*i)* *the existence of major land allocations for B1, B2 and B8 uses in out-of-centre locations;*
*ii)* *the lower occupation costs for out-of-centre accommodation;*
*iii)* *the difficulties of land assembly in town and city centres because of multiple ownerships and lack of experience in the CPO process; and*
*iv)* *the competition in town and city centres from higher value land users.*

2.17 Despite these perceived difficulties RTP concluded that town and city locations within the Region would have an increasing role to play in meeting future market demand from those occupiers requiring *"good infrastructure in terms of both public transport and connectivity, alongside a working environment conductive to attracting and retaining labour."*

Qualitative Assessment of Centres

2.18 As part of their study, RTP undertook a qualitative assessment of the 25 Policy PA11 centres, as well as Merry Hill/Brierley Hill. In summary the consultants research showed that the centres near the top of the Region's current retail hierarchy performed well in relation to the key PPS6 vitality and viability indicators with both Birmingham and Solihull being rated as being '*very healthy*'. However, in the case of Solihull the Report considered that any future expansion and development of the centre would face significant constraints, which although not insummoutable would require substantial joint public and private action and/or remodelling of the centre.

2.19 The physical capacity constraints identified include the existence of unspecified physical/topographical and infrastructure constraints and the presence of the Town Centre Conservation area and its potential for limiting future development within the town centre.

2.20 The report noted that *"in general terms"* the strongest centres (Birmingham, Solihull and Merry Hill and so on) have been getting stronger in recent years whilst elsewhere, those centres falling within the second and third levels of the current retail hierarchy were all considered to be performing well, but with some scope for further improvement. However, centres outside the top three tiers of the hierarchy were considered to be performing less well in relation to the key indicators of vitality and viability.

2.21 Importantly the Report noted in paragraph 5.46 that whilst there was continued operator demand for representation in the Regions largest and strongest centres, the opposite was true of the smaller and weaker centres.

2.22 In relation to the Office Sector the Report also considered each centres suitability to accommodate further office development, both in terms of physical capacity, and in respect of market demand.

2.23 The Report concluded that there was a general mismatch between those centres with the physical opportunities to accommodate substantial office development, and those currently perceived to be the subject of strong market demand. Indicative of this is the situation is Solihull where the consultants noted (Table 5.5) that "the market would deliver more office development in the centre if more land was available."

**Identified Needs**

2.24 Section 6 of the Regional Centre Study considers the need for further retail, office and leisure development within West Midlands over the Study period to 2021.

Retail

2.25 As precursor to identifying the need for further development across the Region, the Study identifies the amount market share and turnover of the 25 Policy PA11 centres and Brierley Hill/Merry Hill, as a basis for further analysis.

2.26 Table 6.3 identifies the comparison goods turnovers drawn from the Primary catchment zones around each centre both as a % of Expenditure in the Primary Zones as a % of all turnover drawn from the study area.

2.27 It is evident from Table 6.3 that those centres which are less dependent on their primary catchment area are those strong centres with significant consumer appeal, with Solihull being a prime example, and those centres which are dominant only locally and are more dependent on secondary and territory zones for expenditure capture.

2.28 In Solihull's case, 62% of the centres turnover is drawn from its Primary Zones. However, this equates to only 44% of its overall turnover reflecting the fact that town 'imports' a significant proportion of its turnover from a wide catchment area.

2.29 Having identified the market share for each centre the need for further retail developments is then assessed having regard to a range of expenditure and population growth projections. Account is taken of extant permissions for comparison retail, in both town centre and edge of centre locations. The residual comparison goods requirement over and above existing commitments is estimated by RTP to be around 427,000 sqm sales area. This is based on using the mid point of their estimate of need (630,000 sqm midpoint need minus 203,000sqm commitment.

Offices

2.30 RTP's assessment of need in the office sector is based upon producing an estimate of the likely future growth in office employment for the Region and converting these estimates into office space projections. This gives a fixed control total of 3.74 million sqm in the period up to 2021. This figure is then distributed across the Region, having regard to past trends, physical constraints, market demand and policy.

2.31 Table 6.10 sets out Centres Office Floorspace Forecasts for the period 2001 – 2021 and for the Solihull Town Centre identifies the potential for additional office development lying in a range between 40,000 sqm (based on regional growth projections) and 130,000sqm (based on market opinion) over the study period.

2.32 Across the Region as a whole RTP conclude that the Strategic centres and the Waterfront at Merry Hill will absorb 1.34million sqm of the identified need of 3.74million sqm. This equates to only 36% of the total need and it is RTP's view that an obvious opportunity exists for individual local authorities, including Solihull, to increase the scale of future office development in town centres, through the adoption of proactive policies to assemble and bring forward town centre sites for redevelopment.

Leisure

2.33 In terms of the assessment of qualitative need for leisure development across the Region RTP estimate that in absolute terms, the growth in per capital expenditure as leisure activity in the period to 2021 amounts to £3,132m of which £1,879m (60%) will be for restaurants, cafes and bars. In contrast, the growth that would be absorbed by cinemas at current market shares would only be £21m, with Bingo Halls absorbing £15 million and casinos £35m. In the case of the latter this might increase over line with the introduction of a new generation casino. However any increase in gambling is likely to be off set by reduction in expenditure on other leisure pursuits, or reduced retail spending or saving.

### Evaluation of Options For Meeting Identified Needs

2.34 In Section 7 of their Report RTP identify eleven alternative 'Strategic Growth Options' for accommodating the Region's projected comparison floor space requirement, up to 2021. The alternative Strategic Growth Options and their floorspace outcomes for Solihull Town Centre are summarised below.

**Strategic Growth Options and Floorspace Outcomes For Solihull Town Centre**

| Growth Option | | Description | Midpoint Comparison Floorspace Requirements (000 sqm) To 2021 |
|---|---|---|---|
| 1. | Status Quo | Distribution of future floorspace in line with current market share | 25 |
| 2. | Polarisation | Reinforces and accentuates Birmingham's dominance in the Region, and further reinforces the market shares of all of the higher-order centres, at the expense of lower-order centres | 26 |
| 3. | Focus on MUAs | Approach seeks to increase market shares of the eleven centres including Solihull within the MUAs | 27 |

| | | | |
|---|---|---|---|
| 4. | Opportunistic | Development is directed to those centres which have the greatest physical capacity to accommodate growth. Solihull is identified as a potential 'loser' under this option due to perceived existence of development constraints | 26 |
| 5. | Focus on smaller Centres | Promotes sustainable growth in 13 centres that currently have lower market shares, make them more competitive with higher order centres including Solihull. Growth in these centres would be at the expense of higher order centres. | 22 |
| 6a. | Focus on Black Country Centres | Assumes a strategy of increasing the market shares of the Black Country centres so as to improve overall competitiveness of the sub-region relative to other parts of the region. Solihull would be largely unaffected by strategic growth in Black Country. | 25 |
| 6b. | Focus on Black Country Centres and expenditure conveyance with natural average | Similar to 6a, but assures that per capita expenditure in Black Country zones converges with national average by the year 2031. | 30 |
| 7. | Per capita expenditure conveyance in MUA zones | Assumes that per capita expenditure in the MUA zones converges with the national average by the year 2031. | 33 |
| 8. | Uplift for least locally dominant Centres | This option targets the greatest market share uplifts on those centres which are least dominant in their primary catchment areas. Solihull's market share and floorspace requirements are reduced under this option. | 22 |
| 9. | Uplift for Sub Regional foci Centres | This option targets the five sub-regional foci centres of Worcester, Shrewsbury, Telford, Hereford and Rugby for the greatest market share uplifts. Little or no impact on Solihull market share given distance between town centre and targeted centres. | 25 |
| 10. | Uplift for MUA Centres And Sub-Regional Fociincluding Centres | Strategic option targets the eleven MUA centres Solihull as well as the five sub-regional foci for market share uplift. | 27 |

2.35 Using an 'Evaluation Matrix', RTP examined the realism, sustainability and regeneration benefits of the Strategic Growth Options identified above. RTP concluded that *"in our assessment Option 10 would achieve the most balanced network of strategic centres. Options 3, 4, 6a, 6b and 7 also achieve good overall scores in the matrix".*

2.36 RTP adopted a similar approach to assess how office employment and floor space distributions could change as a result of policy intervention. The five 'Policy' based scenarios are summarised below.

**Policy Based Distributions of Office Floorspace to 2021**

| Policy based Scenario | Description | Distribution of Floorspace Solihull Town Centre/Rest of District (000s sqm) |
|---|---|---|
| 1. All Strategic centres | Scenario proposes directing a greater proportion of office floorspace requirements from each of the Region's districts to the strategic centres | 100/160 |
| 2. Office Development in the MUAs | Policy approach assumes that office employment in the MUA centres will grow faster than trend if policy approach reverse decentralisation from the MUAs takes effect | 100/160 |
| 3. Development in All Strategic Centres, with emphasis on MUA and Sub-Regional Foci Centres | Scenario promotes a simultaneous policy of increasing office development in all Strategic centres and particularly within MUA centres. | 100/150 |
| 4. Development in All Strategic Centres with emphasis on MUA at Sub-Regional Foci Centres | Scenario builds on the policy objectives set out in scenario 3 by focusing on the regional foci centres as well as the MUA centres. | 100/150 |
| 5. Black Country | Scenario models the effects of seeking to direct more employment into Black Country districts. | 100/150 |

2.37 Under the Scenarios described above, the Report identifies a potential requirement for a further 100,000 sqm of additional office floorspace in Solihull Town Centre in the period 2005 to 2021 with an additional need for between 150 and 160,000 sqm to be developed elsewhere in the District over the same period.

2.38 Again, using an 'Evaluation Matrix' the five Policy based scenarios were scored to measure each's performance in meeting identified national and regional policy objectives. On the basis of this evaluation exercise, Policy-based scenario 4 'More Development in all Strategic Centres, with an Emphasis on MUA all Sub-Regional Foci Centres' was adjudged to achieve the most balanced network of Strategic Centres.'

**Conclusions and Recommendations**

2.39 In Section 8 of the Report RTP set out their conclusion and recommendations in relation to:

- The range of comparison sector floorspace requirements arising from the six retail Growth Options that performed best in the evaluation exercise, as described in Section 7 of their report.
- The range of office jobs and floorspace requirements arising under the three policy based Office Scenarios that performed best in the evaluation exercise; and
- Priority locations for commercial leisure development.

2.40 The Consultants recommendations for accommodating for Strategic Growth are summarised in Table 8.1 of their Report. In relation to Solihull Town Centre the study identifies a range of comparison floorspace requirements to 2021 based on the growth options that perform best in the Evaluation Matrix (Options 3, 4, 6a, 6b, 7 and 10) ranging from 16,000 sqm to 36,000 sqm of comparison goods floorspace.

2.41 Turning to the Office Sector, the Consultants Report also identifies a range of Office Jobs and Floorspace Requirements to 2021 based on the Policy-based Growth Scenarios that performed best in the Evaluation Matrix (Scenarios 2, 3 and 4). Thus in terms of number of new office jobs created RTP estimate that this will lie between 5,300 and 5,600 in the period to 2021 which translates into a floorspace requirement of 100,000sqm over the same period.

2.42 RTP noted in their report that 8 of the 16 centres which received the greatest market share up lift faced some limited physical constraints to their ability to accommodate further development and expansion. Similarly a further 6 of the remaining 8 were challenged by more significant constraints, including Solihull Town Centre, which would require substantial joint public/private sector actions to enable further and office development to be accommodated. The difficulties facing the Council and its partners in Solihull which would need to be addressed were perceived to relate directly to the presence of the town centre Conservation Area which runs east west through Solihull and a shortage of readily available sites.

2.43 RTP did not attempt to identify a detailed commercial leisure strategy for the Region as a whole or to identify specific commercial leisure floorspace requirements for individual centres. This the Report recommended, should be done by the respective LPAs during the preparation of their Local Development Frameworks.

2.42 However, the report did note that there might be scope by 2021 for six additional multi-plex cinemas in the Region by 2021, together with a further 26 independent cinema screens. Solihull Town Centre was not identified as a priority for additional cinema screen provision.

C47 Finally, RTP concluded that compared to national trends, the West Midlands appeared to be well served with casinos. If it was considered appropriate that the West Midlands Region should bid for the first 'regional casino', then Birmingham City Centre represented the best location in the region. This view was based on the grounds of its strategic accessibility and the existence of high level deprivation in the Birmingham area, and the possible regeneration benefits that might flow from the development.

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