



Examination into the Soundness of
Newcastle-under-Lyme's Local Plan.

Matter 8- Retail and Town Centres

Matter Statement by Newcastle-under-
Lyme Borough Council

May 2025

1. Introduction

This statement sets out the Council's response to the Inspector's Matters regarding Retail and Town Centre.

All documents referenced in this statement are listed in Appendix 1.

Issue 8 – Does the Plan set out a positively prepared strategy and policies for retailing and town centres and tourism which is justified, effective and consistent with national policy?

Qu 8.1 a) Is the retail hierarchy defined in policy RET1 justified and consistent with national policy?

- 8.1.1 Paragraph 90(a) of the National Planning Policy Framework (NPPF, December 2023), states that planning policies should "define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing), and reflects their distinctive characters."
- 8.1.2 The Retail and Town Centres Study [ED010 / ED010a] ("the Study") reviewed the structure and role of all designated centres across the Borough. The Study assessed each centre's scale, function and catchment, and provided recommendations to refine the hierarchy as set out in Policy RET 1 to better reflect local circumstances. The Study included a 'health check' and land use assessment to inform the conclusions made [ED010, Chapter 4], applying the national guidance in paragraph 90 and accompanying PPG [paras 4.1 – 4.2].
- 8.1.3 The previous use of sub-categories such as 'urban' and 'rural' was removed to simplify the structure and improve clarity in its application. The revised hierarchy reflects the principal tiers of centres: Strategic, Town, District, and Local Centres.
- 8.1.4 Newcastle-under-Lyme was identified as the Strategic Centre. This classification reflected the centre's scale, commercial offer and strategic role within the Borough. As the largest centre, comprising 337 commercial units and approximately 89,740 sq.m of retail floorspace, it offered a diverse range of main town centre uses and served a wide catchment [ED010, paras 4.9-4.19].
- 8.1.5 Kidsgrove is the second largest centre in the Borough and is identified as a "Town Centre" in the retail hierarchy, providing for 81 retail, leisure and service units focused around two parallel shopping streets of Market Street and Liverpool Road. Retail and leisure services, particularly health and beauty and takeaway operators form the predominant uses in Kidsgrove [ED010, paras 4.20-4.27].
- 8.1.6 The classification of the other centres within the retail hierarchy was also reviewed. Loggerheads, Madeley, and Baldwin's Gate were redefined as Local Centres to reflect their smaller scale and more localised function [ED010, paras 4.28-4.33]. Parksite (Bath Road) Neighbourhood Centre was removed from the hierarchy, as it had become fully vacant and was subject to a live planning application for residential redevelopment [ED010, para 8.62]. The Keele University Hub was also excluded, as it did not comprise a

coherent grouping of commercial uses capable of functioning as a defined centre [ED010, para 8.62].

- 8.1.7 In addition to the rural centres set out above, the retail hierarchy identifies three ‘district centres’, which are located around the Strategic Centre of Newcastle-under-Lyme and the rural centre of Audley. District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. The role and function of these centres is to serve the local population reducing the need for people to travel to reach services and facilities [ED010, paras 4.34-4.38]. Policy RET1 is consistent with the recommendations contained within the Retail and Leisure 2024 update [ED010, Table 8.7, page 56].
- 8.1.8 Policy RET1 is underpinned by a robust evidence base, set out in the Study, and aligned with paragraph 90(a) of the NPPF. The revised structure clearly defined the network of centres and supports their long-term vitality and viability in a proportionate and locally appropriate manner.

b) Are the boundaries for the town centres and primary shopping areas justified and will they be effective?

- 8.1.9 The NPPF (December 2023) at paragraph 90(b) requires local plans to define the extent of town centres and primary shopping areas. In response to this requirement, a review of the existing and proposed centre boundaries across the Borough was undertaken as part of the Study [ED010, paras 8.46- 8.54, page 53 & Appendix 7]. Appendix 7 contains the proposed boundary maps.
- 8.1.10 In line with the updated national policy position, which no longer explicitly requires the designation of primary and secondary frontages, the Study recommended that such designations (primary and secondary frontages) were no longer appropriate in the Borough. This reflected the Government's aim to support greater flexibility within centres and to recognise the growing role of mixed-use activity, particularly under the wider scope of Use-Class E (Commercial, Business and Service) [ED010, as above].
- 8.1.11 Annex 2 of the NPPF identifies the primary shopping area as the area where retail development is concentrated and defines a town centre as including the primary shopping area and areas predominantly occupied by main town centre uses. The Study noted that while the option remained to define both elements separately, in most lower-order centres the distribution of uses was more mixed and did not support the need for a distinct concentration of retail uses at the core [para 8.51, ED010].
- 8.1.12 Accordingly, the Study recommended that a single, consolidated town centre boundary be defined for each principal centre, without the designation of a separate primary shopping area or primary/secondary frontages. This approach was considered more reflective of the nature of centres across the Borough, where retail, leisure, and community uses were often interspersed throughout. Table 8.6 of ED010, page 54, summaries the boundary recommendations for the Defined Town Centres of Newcastle and Kidsgrove.
- 8.1.13 In Newcastle-under-Lyme, the adopted town centre boundary was found to be extensive. The proposed boundary provides a focus on the area of main town centre activity. While supermarkets located outside the revised boundary continued to play an important role, they were identified as 'edge-of-centre' due to their location beyond the ring road, which was considered a barrier to integration with the core area.
- 8.1.14 In Kidsgrove, amendments were recommended to better align the boundary with active town centre uses, including the removal of residential areas and the inclusion of additional commercial units to the west. As with Newcastle, no separate primary shopping area was defined.
- 8.1.15 The boundaries of the remaining centres in the hierarchy were also reviewed and revised as appropriate, with updated recommendations set out in Appendix 7 of the Study. This approach ensured that the sequential and impact tests could be applied effectively, in line with Annex 2 of the NPPF, while also allowing centres to evolve in response to changes in the retail and leisure sectors.

c) Is there convincing justification for the thresholds for retail impact assessments and distances specified, as set out in RET1?

- 8.1.16 Paragraph 90 of the NPPF (2023) allows local planning authorities to set locally appropriate thresholds for retail and leisure proposals outside of centres, above which an impact assessment would be required. The national default threshold of 2,500 sq.m was considered too high to provide meaningful protection for the network of centres in Newcastle-under-Lyme, particularly for smaller centres with a more limited retail offer and greater vulnerability to trade diversion.
- 8.1.17 In line with the guidance provided in paragraph 015 of the Town Centres PPG (ID:2b-015-20190722), a tiered approach was adopted based on the size, function, and resilience of centres. This took into account factors such as the proportion of large-format units, vacancy rates, and the importance of key anchor operators. The discussion of thresholds in the Study appears at paragraphs 8.64 – 8.84 [ED010, page 57].
- 8.1.18 In Newcastle-under-Lyme town centre, 11.4% of units exceeded 500 sq.m in floorspace, with a vacancy rate of 15.8% of total commercial space. Given this context, a 500 sq.m threshold was considered appropriate as a default across the authority area for proposals not located near smaller centres [ED010, 8.72 – 8.74].
- 8.1.19 In contrast, smaller centres such as Kidsgrove town centre and the district centres, supported a limited number of larger units and were more susceptible to impact from relatively modest proposals. For these centres, a reduced threshold of 200 sq.m was recommended [ED010, para 8.75]. Local centres, often underpinned by a single small-format convenience operator, were also considered vulnerable to competition from out-of-centre development. A 200 sq.m threshold was therefore also applied to proposals within 800 metres of these centres, reflecting the typical walk-in catchment as defined by the Guidelines for Providing for Journeys on Foot (2000) [ED010, para 8.80].
- 8.1.20 The 800-metre buffer ensured that the impact of nearby development was properly assessed where there was a realistic risk of trade diversion or loss of footfall. Beyond this distance, the 500 sq.m threshold applied, given the lower likelihood of concentrated impacts on a specific centre.
- 8.1.21 The threshold policy also applied to changes of use and conditions relating to unit operation, to account for proposals such as mezzanine floors or revised trading restrictions. The approach ensured that only proposals with genuine potential for significant adverse impact would trigger the need for an assessment, in line with paragraph 95 of the NPPF. Impact assessments are to be proportionate to the scale of development and scoped with Officers at the pre-application stage [ED010, paras 8.79-8.88].
- 8.1.22 Taken together, the thresholds and spatial application provided a clear and locally responsive framework for managing retail and leisure development, with appropriate safeguards for the health and resilience of defined centres across the Borough.

d) Is the approach to retail uses within neighbourhood parades of shops clear and consistent with national policy?

- 8.1.23 Neighbourhood parades are addressed within the Study at paragraphs 8.29 to 8.35 and Appendix 4 [ED010]. While they are not classified as town centres (i.e. defined centres) under Annex 2 of the NPPF, they are recognised for their local service role, particularly in providing top-up shopping and essential day-to-day services.
- 8.1.24 Policy RET1 includes these neighbourhood centres within the defined retail hierarchy, ensuring appropriate policy protection without over-regulation. This approach aligns with paragraph 88(d) of the NPPF, which supports the retention and development of accessible local services and community facilities in rural and suburban areas.
- 8.1.25 The inclusion of these parades in the policy framework ensures they remain viable and protected from potentially harmful development while allowing for modest, appropriate enhancements.

e) Are the proposed main modifications to the Policy and supporting text necessary for soundness?

- 8.1.26 The Study [ED010, para 8.69] recommends a number of Main Modifications that are necessary to ensure the Plan is sound. These include simplifying the retail hierarchy [ED010, paras 8.26–8.35], removing primary and secondary frontage classifications [ED010, para 8.37], revising town centre and PSA boundaries [ED010, paras 8.36–8.55], and implementing the tiered impact thresholds [ED010, paras 8.56–8.68]. These have been included in Policy RET1: Retail in the Final Draft Local Plan.
- 8.1.27 Additionally, the retail and leisure study recommended that Policy RET1 be revised to apply to all main town centre uses, not only retail, in accordance with the broader Use Class E and in line with NPPF paragraphs 90 and 94. This ensures flexibility and responsiveness to future changes in the retail and commercial landscape. Again, this has already been reflected in Policy RET1. No further modifications are proposed to the Policy to respond to this recommendation.
- 8.1.28 Policy RET1 is supported by the outcomes of the Study [ED010, table 8.8, pg 60] which seeks to ensure consistency with national policy. The policy approach also assists in delivering the Council's regeneration ambitions, including the transformation of Newcastle-under-Lyme town centre into a vibrant, mixed-use destination [Study, ED010 paras 4.22 to 4.32].
- 8.1.29 Following the consultation on the Final Draft Local Plan, a number of minor modifications are proposed to policies, as follows: -
- MOD 32,33, 35 and 37 are proposed in response to drafting errors and would represent additional modifications to the Local Plan.
 - MOD 34 and 36 propose revised and additional text to emphasise the importance of the historic environment in the policy approach to Kidsgrove Town Centre [MOD036] and also in relation to Shop Fronts, Advertisements and New Signage [MOD034].

2. Appendix 1 – List of Reference Documents

A. The Council's evidence for Retail and Town Centre is set out below.

B. National Policy:

- National Planning Policy Framework (2023)
- National Planning Practice Guidance

C. Government Regulations and Acts:

- Town and Country Planning Act
- Planning and Compulsory Purchase Act 2004

D. Newcastle-under-Lyme Local Plan Submission / Examination Documents

- Final Draft Local Plan [CD01]
- Final Draft Local Plan Policies Map [CD02]
- Retail and Leisure Study [ED010]
- Retail and Leisure Study [ED010a]
- Schedule of Draft Proposed Modifications to the Plan [CD015 / CD015a]