

TAMWORTH LOCAL PLAN EXAMINATION: RESPONSE BY ENGLAND & LYLE TO FURTHER REPRESENTATIONS ON MATTER 11 – TOWN CENTRE RETAIL GROWTH ON BEHALF OF TAMWORTH BOROUGH COUNCIL (July 2015)

Introduction

1. England & Lyle have been commissioned by Tamworth Borough Council to advise the Council on Theme 2, Matter 11 – Town Centre Retail Growth at the Local Plan Examination. A Statement was prepared for the hearing session (ref. HD16). Further representations on retail matters have been made by Indigo Planning (ref. HDR04) and White Young Green (ref. HDR02) and this additional Note has been prepared on behalf of the Council in response to these representations.

2. England & Lyle's Hearing Statement HD16 is referenced in this Note as E&L Statement (June 2015). This Note does not repeat points made in the E&L Statement HD16 (June 2015) but it clarifies a number of matters raised by Indigo Planning and White Young Green at the Hearing and in the supplementary material submitted by them in HDR04 and HDR02 and it responds to these matters as appropriate.

Adequacy of the Capacity Analysis

3. Indigo refer to 'corrections' made by England & Lyle to various 'discrepancies' in the retail evidence base. E&L's Statement HD16 (June 2015) has explained a number of aspects of the data base and forecasts which have not been fully understood by Indigo Planning and the present Note gives further clarifications where necessary to assist the Inspector, particularly in relation to Indigo's unrealistic assessment of future retail needs in Tamworth.

4. Indigo continue to question the validity of the telephone household survey carried out in 2011 as a basis for the analysis of existing shopping patterns in Tamworth. England & Lyle emphasise that the only changes in shopping provision in Tamworth since 2011 are the development of a new Lidl foodstore on Bolebridge Street and further comparison goods retail units in Ventura Park and Cardinal Point. E&L's Statement HD16 (June 2015) maintains that shopping patterns will not have changed significantly as a result of these new developments. The household survey data is used to calculate the market shares of centres for different types of goods, which are the basis for the retention levels in the capacity analysis. It is very unlikely that the market shares of Tamworth town centre and the retail parks will have changed to a significant extent between 2011 and 2014. If there has been any

change it will be reflected in an increase in the market share of the retail parks and a greater dominance in their role for comparison shopping in Tamworth.

5. The major concern of Indigo Planning is in terms of over-trading in comparison goods in the capacity analysis. England & Lyle have already pointed out that over-trading reflects market conditions at one point in time. Market conditions can change significantly in a short period. Indigo acknowledge that company average turnovers are constantly changing. One year's benchmark turnover may not be representative of future trading performance. Contrary to Indigo's statement, England & Lyle do not assume that over-trading will disappear over the plan period. Our position is that over-trading is not a relevant consideration in assessing long term retail need for the purposes of a Local Plan and it is not a factor that should be taken into account in assessing quantitative need in the long term. Over-trading is simply a reflection of the high level of trading performance in the retail parks in Tamworth.

6. Over-trading should more appropriately be regarded as an element of qualitative need which is relevant in decision-making on planning applications, not for plan-making. Evidence of over-trading in foodstores, for instance, could be a material consideration in determining an application for a new foodstore. Indigo seek to justify their position on over-trading by reference to an Inquiry decision on a planning decision regarding a Sainsbury's superstore in Kidlington. This is clearly an example of a foodstore development (not comparison goods) and a planning application, not a need assessment for a Local Plan. It has little relevance to the capacity analysis for comparison goods in the Tamworth Local Plan.

7. White Young Green's view is that over-trading is only relevant when calculating convenience capacity. England & Lyle agree with this view.

8. Indigo draw attention to the former PPS4 Practice Guidance on retail planning. Although some aspects of this former guidance remain useful as a basis for undertaking need and impact assessments, the guidance has been withdrawn and has been superseded by the section of the current Planning Practice Guidance relating to Ensuring the Vitality of Town Centres. Limited weight should be attached to the former PPS4 Guidance. The current PPG advises on matters to be included in assessing need as part of the sequential approach to plan-making. It does not specifically mention over-trading.

9. Indigo state that "it is well accepted, and there is established case law, that over-trading is a component of quantitative need and is a relevant consideration in

the assessment of retail capacity". This is incorrect and misleading. The statement is correct only in respect of assessing need in relation to planning applications and normally in respect of convenience goods. Over-trading is not commonly included in long-term need assessments for Local Plans because it is an extremely uncertain element of quantitative need that should not be relied upon in calculating future requirements for retail floorspace.

Evidence of Inflow to Ventura Park

10. Indigo's survey of visitors to Ventura Park in May 2015 is based on a sample of just 102 shoppers. England & Lyle agree with White Young Green that it is an unrepresentative sample of shoppers that cannot be extrapolated for comparison retailers across Tamworth as a whole. The survey reveals a relative low level of linked trips of 21% between Ventura Retail Park and the town centre (Q6), a perceived need for more/better quality non-food shops in the town centre (Q9) and the fact that more than half of respondents don't visit the town centre because of the absence of shops that would attract them (Q10).

11. Inflow of trade into Tamworth from beyond the study area was not included in the Retail Study capacity analysis because data on inflow was not available. The retail analysis is based on spending by residents of the study area. By definition, the household survey does not pick up any spending from external areas. The new survey by Indigo does not provide a reliable basis for assessing inflow. It gives no indication of any inflow to the town centre.

12. In any event the inclusion of inflow in the capacity analysis would simply result in an increase in the estimated turnover of existing stores in the retail parks. It would not alter the retention levels used in the capacity analysis which are based on the market shares of stores and centres as a percentage of residents' expenditure in the study area. Data on inflow does not have any bearing on the capacity analysis.

Floorspace Thresholds

13. The NPPF indicates that local planning authorities are expected to consider if lower floorspace threshold than the default figure of 2,500 sq.m. gross are appropriate in the local circumstances. Details on the justification for the proposed floorspace thresholds in Tamworth are given in the Council's document 'Threshold Policy for Main Town Centre Uses Impact Assessment Evidence Report', November 2013 (Core Document D5). The adoption of these proportionate, locally set

floorspace thresholds is in accordance with paragraph 26 of the NPPF. The thresholds have been adopted with reference to the approaches used by other local authorities and based on a sound evidence base.

14. Indigo's reference to A3 uses on the former Allied Carpets site in Ventura Retail Park is not relevant. They are not retail uses. It would be unlikely that A3 uses totalling 873 sq. metres would have a significant adverse impact on the overall vitality and viability of the town centre. However, the cumulative impact of several retail units of 250 sq.m. gross in the retail parks could result in harm to the vitality and viability of the town centre. Such an approach is consistent with that taken by other local authorities based on local circumstances in their area. The adoption of the NPPF default thresholds in Tamworth would be entirely inappropriate and would allow almost unrestricted retail development in the retail parks which could have very damaging consequences for the future of the town centre.

Comments on Development Opportunity Sites

15. There is a great deal of confusion in the comments made by Indigo Planning about the potential of development opportunity sites in Tamworth town centre to accommodate new retail development. This Note seeks to clarify the position.

16. First of all, in relation to the Gungate redevelopment site, in the capacity analysis prepared for the draft Local Plan it was assumed that the Gungate scheme would be trading by 2016. The current position has been explained by the Council in its HD22 Response: Further Statement on Gungate Retail Redevelopment Scheme which is document HDR07. The statement contains a timeline for delivery from WYG on behalf of Henry Boot and indicates a proposed start on site in 2017. England & Lyle have prepared a revised capacity analysis to inform the Local Plan, which is set out below and in the Appendix. It is now assumed that the Gungate scheme will be fully trading by the forecast year of 2021. It could be completed well before 2021. White Young Green state that "Henry Boot has confirmed its commitment to delivering the site at the very earliest opportunity and certainly before 2021". Therefore Gungate is treated as a commitment for retail development in 2021 with a retail floorspace of 20,660 sq.m. gross and 14,460 sq.m. net.

17. The Gungate proposals represent a significant increase in retail floorspace in Tamworth town centre. Existing comparison floorspace in the town centre in 2013 according to Goad is 20,880 sq.m. gross. The Gungate scheme would provide an

additional 20,660 sq.m. gross, doubling the existing provision. It is a major scheme which will significantly increase the retail offer and attraction of the town centre.

18. England & Lyle's Retail Study Update 2014 (ref. D1) identifies 9 development opportunity sites within the town centre including the Gungate site. Not all of these sites are considered suitable for retail development; some are more appropriate for other town centre uses. In addition to Gungate, the sites at Spinning School Lane and Middle Entry are identified as have potential for retail uses during the Plan period.

19. It is acknowledged that the Spinning School Lane site has subsequently been identified by the Council for housing development. Indigo also refer to the Arriva Bus Depot site on Aldergate. England & Lyle undertook an appraisal of this site as Site TTC003. The conclusion was that the site may be suitable for a mix of office, hotel and/or residential uses. It was not identified as a potential site for retail uses.

20. In the draft Local Plan Policy HG1 allocates the Spinning School Lane and Arriva Bus Depot sites for housing. Policy HG1 also says that proposals should comply with other policies in the Plan. There is no reason why a mixed use scheme on these sites incorporating housing and retail could not come forward. Indeed, in the SHLAA the capacity of 40 units for the Arriva site was determined based on a mixed use scheme.

21. There is potential for redevelopment of the Middle Entry shopping centre for retail development. The site extends to 0.6 hectares. The Retail Study Update 2014 (ref. D1) proposes that the Middle Entry site should come forward as a second phase of town centre development following the redevelopment of the Gungate site to meet forecast needs for further retail floorspace post-2021 and it has the capacity to accommodate the additional floorspace capacity identified in the Local Plan.

Review of the Capacity Analysis for Comparison Goods

22. The implications of a delay in the implementation of the Gungate scheme beyond 2016 for the comparison goods capacity analysis are shown in a revised capacity table in the Appendix to this Note. The Appendix table is a slightly revised version of the table included in E&L's Statement HD16 (June 2015). Gungate is treated as a commitment and is assumed to be trading in 2021. England & Lyle accept the comments of White Young Green that the appropriate sales density for the Gungate scheme in 2021 should be £5,500 per sq.m. net, an increase on the

previously estimated 2016 figure of £5,000 per sq.m. The scheme's comparison turnover is estimated to be £79.5 million in 2021.

23. A delay in the implementation of the Gungate scheme will mean a lower retention level in 2016 than that forecast in the original capacity analysis. The retention levels now assumed for comparison goods are shown in the following table.

<u>Retention Levels, Comparison Goods</u>	2012	2016	2021	2031
Primary catchment	86%	88%	92%	92%
Secondary catchment	38%	39%	42%	42%
Overall retention	53%	55%	58%	58%

24. The increase in the overall retention level between 2016 and 2021 is consistent with the Gungate scheme attracting about a third of its turnover from clawback of leakage out of the study area. In the context of existing leakage from the study area of almost half of all comparison goods expenditure, this is a reasonable assumption.

25. The revised capacity analysis in the Appendix table shows a residual turnover after commitments of £36.2m in 2031. The residual turnover in 2016 and 2021 is negative. The available capacity in 2016 and 2021 will be met by the turnover of retail floorspace recently developed and further unimplemented approvals at Ventura Retail Park and Cardinal Point, totalling over £40m in 2016.

Implications for Floorspace Capacity

26. The updated residual capacity and floorspace capacity figures are as follows.

<u>COMPARISON GOODS</u> (taking account of Gungate scheme as a commitment from 2021)	2016	2021	2031
Residual capacity	-£2.69m	-£35.69m	+£36.23m
Sales density (£ per sq.m. net)	£5,000	£5,500	£6,700
Net floorspace (sq.m.)	-	-	5,400
Gross floorspace (sq.m.)	-	-	7,700

27. The residual capacity of £36.2m in 2031 compares with the figure of £35.8m in the Retail Study Update 2014. The floorspace capacity in 2031 of 7,700 sq.m. gross is very similar to the figure of 7,600 sq.m. assessed previously.

28. There is physical capacity to accommodate this comparison floorspace capacity within the town centre on the Middle Entry development opportunity site. The Gungate site could reasonably accommodate some convenience retail floorspace provision as part of the redevelopment scheme.

29. The residual floorspace capacity of 7,700 sq.m. gross in 2031 compares with the figure of 81,700 sq.m. suggested by Indigo Planning based on a flawed methodology that massively inflates the potential capacity for new retail floorspace. Not only is Indigo's figure excessively high, it is well in excess of the existing 20,880 sq.m. gross comparison floorspace in the town centre and the total of 41,500 sq.m. gross taking account of the Gungate floorspace. Indigo's forecast is comparable with the total of about 80,000 sq.m. gross of existing floorspace at Ventura and Jolly Sailor Retail Parks and Cardinal Point. It is inconceivable that Tamworth could support additional retail floorspace equivalent to the total amount of existing floorspace in the retail parks.

30. The NPPF sets out a town centre first approach and the policies in the submitted Local Plan re-affirm this approach. The Plan seeks to meet the capacity for retail floorspace within Tamworth town centre in order to deliver the key spatial objective of regenerating and focussing investment within the town centre. The town centre has sites available for retail development over the Plan period, including Gungate, and there is potential to consolidate the town centre through redevelopment opportunities. The Plan's retail provision for the town centre is entirely appropriate in the context of the retail system within Tamworth.

31. It should be noted that no sites are being promoted outside Tamworth town centre for retail uses. No representations have been made to allocate sites for retail uses at Ventura Retail Park. A total of 6,562 sq. metres of retail floorspace in mezzanines remains in unimplemented permissions in units at Ventura Retail Park.

32. In response to the comments of White Young Green, it is a sound approach for the Local Plan to refer to retail floorspace capacity over the plan period to 2031. The Plan needs to indicate the scale of retail development that would be appropriate and that there is physical capacity for this floorspace to be accommodated in the town centre. It would be helpful to refer also to the amount of floorspace capacity in

2021 but the forecasts show that there is actually a negative capacity in 2021 because of the implementation of the Gungate scheme. The Council has committed in the Local Plan to monitoring and reviewing the retail requirement by 2021.

APPENDIX: CAPACITY ANALYSIS, COMPARISON GOODS - REVISED					
Tamworth Catchment Area (2009 prices)					
	2009	2012	2016	2021	2031
Residents' expenditure in catchment area (£m)					
Primary catchment area	218.04	235.79	261.86	299.99	412.32
Secondary catchment area	475.62	499.41	550.66	624.55	849.03
Total expenditure from catchment	693.66	735.20	812.52	924.54	1261.35
Turnover in Tamworth (£m) [1]					
from primary catchment	181.41				
from secondary catchment	173.13				
total turnover from catchment area	354.53				
Retention levels [2]					
	existing	forecasts			
primary catchment	83.2%	86%	88%	92%	92%
secondary catchment	36.4%	38%	39%	42%	42%
overall retention	51.1%	53%	55%	58%	58%
Expenditure available to be spent in Tamworth (£m)					
from primary catchment		202.78	230.44	275.99	379.33
from secondary catchment		189.78	214.76	262.31	356.59
total expenditure available		392.56	445.19	538.30	735.93
Future turnover in Tamworth (£m) [3]		376.24	407.25	449.64	548.10
Surplus expenditure capacity (£m)		16.32	37.94	88.67	187.82
Turnover of commitments (£m) [4]		37.54	40.63	124.36	151.59
Residual capacity (£m)		-21.22	-2.69	-35.69	36.23
[1] Survey-based turnover 2009					
[2] assuming an increase in retention based on potential for clawback of leakage					
[3] assuming growth in sales density in comparison goods of 2.0% p.a.					
[4] Commitments:	sq.m.	sq.m.	sales	turnover	turnover
(comparison goods only)	gross	net	per sq.m.	2012	2016
to 2012				£m	£m *
<u>Ventura Retail Park mezzanine floorspace</u>					
Unit D	627	500	£2,000	1.00	
Unit K	587	470	£2,000	0.94	
Unit 4 (Currys)	707	523	£4,300	2.25	
total				4.19	4.53
<u>after 2012</u>					
John Lewis at Home	5,477	4,380	£3,000	13.14	14.22
<u>Cardinal Point:</u>					
Unit 1	4,180	3,550	£2,000	7.10	7.69
mezzanine	2,090	1,780	£1,000	1.78	1.93
garden centre	1,858	1,580	£1,000	1.58	1.71
Units 2-4	3,252	2,600	£3,000	7.80	8.44
mezzanine	1,626	1,300	£1,500	1.95	2.11
Total turnover of commitments				37.54	40.63
Gungate redevelopment scheme	20,660	14,460	£5,500		79.53
from 2021 (net gain in floorspace)					(in 2021)
* Assuming growth in sales density at 2.0% per annum, continued to 2021 and 2031					