



# Nathaniel Lichfield and Partners

Planning Design Economics

**Proposed Foodstores  
Marlborough**

**Retail Critique on behalf of Wiltshire  
Council**

16 April 2010

**Nathaniel Lichfield & Partners Ltd**

1st Floor, Westville House  
Fitzalan Court  
Cardiff CF24 0EL

T 029 2043 5880  
F 029 2049 4081

[cardiff@nlplanning.com](mailto:cardiff@nlplanning.com)  
[www.nlplanning.com](http://www.nlplanning.com)

Offices also in  
London  
Manchester  
Newcastle upon Tyne

## Contents

---

|            |  |           |
|------------|--|-----------|
| <b>1.0</b> | <b>Introduction</b>                      | <b>1</b>  |
|            | Background                               | 1         |
|            | The Proposals                            | 1         |
|            | PPS4 - Key Changes                       | 1         |
|            | Compliance with PPS4 Requirements        | 3         |
| <b>2.0</b> | <b>Assumptions</b>                       | <b>4</b>  |
|            | Catchment Area                           | 4         |
|            | Design Year & Price Base                 | 4         |
|            | Population                               | 4         |
|            | Available Expenditure                    | 5         |
|            | Proposed Store Turnover                  | 5         |
|            | Existing Floorspace Turnovers            | 6         |
|            | Benchmark Turnovers                      | 6         |
|            | Scope to Improve Retention               | 7         |
|            | Trade Draw of Proposals                  | 8         |
|            | Conclusion                               | 9         |
| <b>3.0</b> | <b>Sequential Approach</b>               | <b>10</b> |
|            | Introduction                             | 10        |
|            | Sequential Area of Search                | 10        |
|            | Site Size Threshold                      | 11        |
|            | Sequential Sites Included in Search      | 11        |
| <b>4.0</b> | <b>Retail Impact</b>                     | <b>13</b> |
|            | Policy Requirements of Impact Assessment | 13        |
|            | Wider Impact Considerations              | 17        |
|            | Conclusion                               | 19        |
| <b>5.0</b> | <b>Conclusion</b>                        | <b>20</b> |

## 1.0 Introduction

### Background

1.1 Wiltshire Council has received two planning applications for foodstore development in Marlborough. The first application is for full planning permission for a Tesco foodstore and the Retail Assessment was prepared by Amethyst Property (AP) and was submitted in December 2009. The second is an outline planning application for a Sainsbury foodstore and is accompanied by a Retail Assessment prepared by White Young Green (WYG).

1.2 NLP has been asked to provide Wiltshire Council with retail policy advice relating to both planning applications. The comparative analysis of the two applications is presented in this report. Consideration is also given to the impacts of the proposed stores both individually and cumulatively.

### The Proposals

#### Food Stores

1.3 The two applications propose a food superstore of similar size. The size of each proposed store is compared below.

| <b>Scheme</b> | <b>Convenience Goods Sq m</b> | <b>Comparison Sq m</b> | <b>Checkouts/ circulations space Sq m</b> | <b>Net Sales Floorspace Sq M</b> |
|---------------|-------------------------------|------------------------|---|----------------------------------|
| Tesco         | 1080                          | 120                    | 122                                       | 1,322                            |
| Sainsbury     | 1091                          | 273                    | -   | 1,364                            |

1.4 The proposed stores are located on adjacent sites in out-of-centre locations to the south of Marlborough town centre.

### PPS4 - Key Changes

1.5 PPS4: Planning for Sustainable Growth was published on 29 December 2009 and sets out the Government's policies for economic development, replacing PPG4, PPG5, PPS6 and parts of PPS7 and PPG13. PPS4 places retail and town centre development in its wider context, as "economic development" which provides employment opportunities, generates wealth or produces an economic output or product. PPS4 still applies to the following main town centre uses, including retail, leisure and entertainment facilities.

1.6 Policies EC10 – EC19 provide LPAs with guidance for assessing planning applications for economic development.

- 1.7 Proposals for retail and town centre uses must be located in an existing centre and accord with an up to date development plan. Otherwise, they must satisfy the 'sequential approach' and the 'significant adverse impact' tests before their positive and negative impacts and other material considerations are assessed.
- 1.8 The impact test consists of two sets of assessments; one applying to all forms of economic development and the other to town centre uses only. Policy EC10.2 identifies the impact considerations for all economic development as:
- a whether the proposal has been planned over the lifetime of the development to limit carbon dioxide emissions, and minimise vulnerability and provide resilience to, climate change;
  - b the accessibility of the proposal by a choice of means of transport, and the effect on local traffic levels and congestion;
  - c whether the proposal secures a high quality and inclusive design which takes the opportunities available for improving the character and quality of the area and the way it functions;
  - d the impact on economic and physical regeneration in the area including the impact on deprived areas and social inclusion objectives; and
  - e the impact on local employment.
- 1.9 For main town centre uses, Policy EC16 identifies the following additional impact considerations:
- a the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal;
  - b the impact of the proposal on town centre vitality and viability, including local consumer choice and the range and quality of the comparison and convenience retail offer;
  - c the impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan;
  - d in the context of a retail or leisure proposal, the impact of the proposal on in-centre trade/turnover and on trade in the wider area, taking account of current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made, and, where applicable, on the rural economy; and
  - e if located in or on the edge of a town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres.
- 1.10 The policy also allows for local authorities to define any locally important impacts on centres which should be tested.

- 1.11 The objective is to focus on impacts during the first five years after scheme construction, including consideration of the cumulative impact of the development with recent permissions and developments.
- 1.12 In terms of the sequential approach, the policy requirements are largely unchanged from PPS6. Sites are required to be assessed for their availability, suitability and viability. However PPS4 makes it clear that where an applicant has not demonstrated compliance with the sequential approach, then planning applications for main town centre uses not in an existing centre and not in accordance with an up to date development plan should be refused. It also no longer differentiates between competing out-of-centre sites from a development control perspective in terms of their closeness to the centre or accessibility to public transport.
- 1.13 Similarly, if a proposal is likely to lead to a significant adverse impact, whether on its own or cumulatively, it should be refused. Where there is no significant adverse impact, the local planning authority is required to determine an application taking account of the positive and negative impacts of the proposal and any other material considerations.

## **Compliance with PPS4 Requirements**

- 1.14 Whilst both applications fall below the threshold of 2,500 sq m (gross) for which PPS4 requires a mandatory assessment of retail impacts, the interim guidance which applies before development Plans are adopted/ reviewed to reflect the guidance, applies the test to all retail proposals.
- 1.15 Both Retail Assessments address the requirements of the sequential assessment, however, the AP assessment was submitted prior to the issuing of PPS4 and therefore did not consider the full set of impact tests set out in PPS4. They have subsequently submitted a letter of clarification dated 7<sup>th</sup> February 2010 and a revised Retail Assessment / set of impact tables.
- 1.16 Both the AP and WYG assessments address all of the EC10 and EC16 tests, although neither considers the cumulative impact of the other. The purpose of this report is to assess the robustness of the assumptions made and methodology employed in testing the impact, and to consider the cumulative impact of both proposals.

## 2.0 **Assumptions**

2.1 Policy EC16 requires that the impact of retail proposals on in-centre trade/turnover and on trade in the wider area be assessed. This assessment needs to take account of current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made. Whilst the assessment of need is no longer a policy test, any over-supply of floorspace resulting from any of the planning application proposals may have an adverse impact on the town centre. In this context retail expenditure capacity is relevant and is therefore addressed here, but an over-supply of retail floorspace is not on its own a ground for refusal.

2.2 This chapter analyses the methodology and assumptions underpinning the Impact Assessment.

### **Catchment Area**

2.3 Both the AP and White Young Green (WYG) retail assessments adopt the same catchment area comprising postcodes SN8 1, SN8 2, SN8 3 and SN8 4. This draws the catchment area quite tightly around Marlborough and in our view is an acceptable catchment area for a store of this size and nature. AP analysis treats Pewsey as though it was located within the catchment area which does not correspond with the household survey area. As a result they have overestimated the turnover of floorspace within the catchment area, by including Pewsey floorspace.

### **Design Year & Price Base**

2.4 AP adopts a design year of 2014 whilst the WYG proposal assesses the impact of the proposed store at 2015, however, both proposals allow 5 years between base year and design year. PPS4 recommends the design year for assessing impact be 1-2 years after the likely completion of the store. We therefore consider these design years to be within an acceptable range.

2.5 The AP retail assessment adopts a price base of 2006 and the WYG assessment uses a price base of 2007, therefore figures in the two studies are not directly comparable.

### **Population**

2.6 Both retail assessments adopt population data derived from Pitney Bowes MapInfo. The two retail assessments adopt different years for the projections, but the information is consistent.

2.7 The table below compares the population growth rates derived from the Pitney Bowes data with Wiltshire Council's projections for the Marlborough area.

|  | Pitney Bowes | Wiltshire Council |
|--|--------------|-------------------|
| Amethyst Property<br>Population growth 2009-14 | 1.53%        | 0.36%             |
| WYG<br>Population growth 2010-15               | 2.09%        | 0.49%             |

1. Amethyst Property population growth derived from Appendix II, Table 1.

2. WYG population growth derived from Appendix F, Table 2

3. Wiltshire Council figures are Marlborough figures from the District and Community Area Level Population Estimates and Projections 2001 to 2026 (October 2007)

- 2.8 The Pitney Bowes projections (which are trend based) are higher than the Wiltshire Council projections; however, the rate is unlikely to make a significant difference to the assessment of impact.

## Available Expenditure

- 2.9 Both AP and WYG have used MapInfo expenditure data which is a recognised data source.
- 2.10 Deductions are made in both retail assessments for special forms of trading. AP makes higher deductions for SFT than WYG. AP makes a deduction of 2% in 2009 and 4% in 2014 for SFT for convenience goods and a deduction of 7% in 2009 and 13% in 2014 for comparison goods. This compares with WYG's deduction of 2% p.a for convenience goods and 5.8% p.a for comparison goods between 2010 and 2015.
- 2.11 Both AP and WYG assume a convenience growth rate of 0.5% p.a. and comparison growth rate of 1.6% p.a. between 2009 and 2014 (Appendix II, Table 2 of Amethyst Report and Appendix E, Table 2 of the WYG Report). These rates are derived from the medium term projections from MapInfo 2009.

## Proposed Store Turnover

- 2.12 Each applicants' estimates of convenience and comparison good turnover are as follows:

| <b>Scheme</b> | <b>Company Ave. Convenience T/O Density</b> | <b>Convenience Turnover £M</b> | <b>Company Ave. Comparison T/O Density</b> | <b>Comparison Turnover £M</b> | <b>Total £M</b> |
|---------------|---|--------------------------------|--|-------------------------------|-----------------|
| Tesco         | £12,435                                     | £13.4                          | £9,014                                     | £1.1                          | £14.5           |
| Sainsbury     | £9,613                                      | £10.5                          | £7,483                                     | £2.0                          | £12.5           |

- 2.13 The turnovers of the two proposed food stores do not vary significantly because of their similar size. The higher benchmark turnover of the proposed Tesco reflects a higher company average sales density than Sainsbury. The sales densities adopted in both assessments are broadly consistent with what NLP would adopt, and the turnover estimates are therefore robust in terms of assessing impact.
- 2.14 AP states that the proposed Tesco store will include 1,080 sq m (net) convenience goods floorspace and 120 sq m (net) of comparison floorspace (Appendix II, Tables 6 and 12). This assumes 10% of the floorspace will be dedicated to comparison goods. The proposed Sainsbury store has a total 1,364 sq m (net) floorspace comprising 1,091 sq m convenience and 273 sq m comparison (Appendix E, Table 1). This assumes 20% of the floorspace will be dedicated to comparison goods. Both splits in floorspace are within the range we would expect of the stores of the size proposed.

## Existing Floorspace Turnovers

### Tesco Retail Assessment

- 2.15 AP estimate current convenience and comparison sales in existing centres in the catchment area in Tables 5 and 11 (Appendix II). This is done by apportioning available expenditure in the catchment area to reflect the market shares identified by the household survey, an appropriate approach. They have not made any allowance for inflow of expenditure and therefore this estimate represents the turnover derived from the catchment area only.
- 2.16 The results from the Household Survey seem reasonable for each zone and the original Table 6 (Appendix II) assumed a 75:25 ratio for convenience expenditure in terms of main and top-up food shopping which we would consider appropriate.
- 2.17 AP estimates the convenience turnover for Marlborough at 2009 derived from the catchment area to be £24.2 m, most of which is taken by the Waitrose store in the town centre. It estimates the comparison turnover of Marlborough to be £18.0m.

### Sainsbury Retail Assessment

- 2.18 WYG do not provide an estimate of existing convenience floorspace turnover because they have not undertaken a household survey.

## Benchmark Turnovers

- 2.19 The net sales areas for Marlborough and Pewsey for convenience goods in both assessments seem reasonable when compared to existing foodstores listed in the 2009 Institute of Grocery Distributors (IGD) database.



### Tesco Retail Assessment

- 2.20 In Appendix II, Table 9, AP estimates the benchmark turnover of convenience floorspace in Marlborough at 2014 to be £27.1 million (2006 prices). They assume that £23.0 million of this benchmark turnover (85%) is derived from the catchment area, which would seem reasonable given that the catchment area is quite tightly drawn. This therefore indicates that existing convenience floorspace in the town centre is trading slightly above average.
- 2.21 The average sales densities for convenience floorspace in each of the centres provided by AP in Appendix II, Table 9 of the updated assessment is based on Table 10 of the original assessment, and appear reasonable estimates.

### Sainsbury's Retail Assessment

- 2.22 In Table 3 of Appendix E WYG estimates the benchmark turnover of existing convenience floorspace in Marlborough to be £26.3 million and therefore similar to the AP estimate.
- 2.23 We consider all the sales densities provide by WYG to be within a reasonable range.

### Scope to Improve Retention

- 2.24 The household survey undertaken as part of the AP Retail Assessment indicates at Appendix II, Table 4, that the market share of Marlborough convenience floorspace ranges from 29.5% in Zone 3 to 71.5% in Zone 1.
- 2.25 NLP consider that a new foodstore of the size proposed by either applications would be able to make some improvement to the market share of the town overall.

### Tesco Retail Assessment

- 2.26 AP sets out their assumptions on the difference in market shares pre-proposal and post-proposal in Tables 4 and 7, and summarised below.

Table 2.1 Amethyst Property Assumption on Market Share

|                                   | Zone 1 | Zone 2 | Zone 3 | Zone 4 | All Zones |
|-----------------------------------|--------|--------|--------|--------|-----------|
| Marlborough Market share existing | 71.5%  | 36.6%  | 29.5%  | 47.1%  | 50%       |
| Market share with new store       | 80%    | 61%    | 65%    | 70%    | 70%       |

- 2.27 There is theoretical scope to increase the market share of Marlborough through the provision of new floorspace as demonstrated by AP. However, whether such improvements to retention could be achieved through the provision of a new foodstore of less than 1,400 sq m (net) needs to be considered in more detail below regarding the assumptions on trade draw. If both stores were to proceed, such rates may be more achievable.

### Sainsbury's Retail Assessment

- 2.28 WYG do not set out their estimates of existing market shares, and they do not show what the increase in market share on a zone by zone basis would be.

### Trade Draw of Proposals

- 2.29 We anticipate that the proposed food stores will compete predominantly with other main foodstores in the catchment (i.e. Waitrose) and outside (i.e. Tesco - Hungerford, Tesco – Swindon, Sainsbury – Devizes, Morrisons – Devizes, Sainsbury's Stratton).
- 2.30 As growth in expenditure is limited in the short term, most of the turnover of the new store(s) would be generated by trade diversion. Where residents within the catchment who currently shop outside the catchment would switch to shopping at the new store(s), this is referred to as 'clawback'. Clawback is generally viewed as a positive impact as it reduces the distance travelled to undertake food shopping on a regular basis. Some outer parts of the catchment may however actually be closer to a store outside of the catchment where 'clawback' is therefore not an appropriate objective.
- 2.31 Despite the two proposed stores being very similar in nature and location, the two Retail Assessments have assumed different patterns of trade draw as set out below.

Table 2.2 Trade Draw Assumptions of Tesco and Sainsbury Stores

|                       | Tesco (AP) | Sainsbury's (WYG) |
|-----------------------|------------|-------------------|
| Waitrose, Marlborough | 10%        | 30%               |
| Other Marlborough     | 2%         | 10%               |
| Pewsey                | 0.3%       | 7%                |
| Aldbourne             | 0.3%       | 5%                |
| Other in Catchment    | -          | 3%                |
| Beyond Catchment      | 75%        | 45%               |
| Inflow                | 13%        | -                 |

- 2.32 AP have assumed that the vast majority of the Tesco store's turnover would be diverted from stores outside the catchment (75% plus an element of the

inflow). In our view WYG's trade draw assumptions are more realistic than AP's figures. AP's figures imply a significant amount of expenditure clawback.

2.33 There is scope to clawback expenditure lost to stores beyond the catchment, but we consider it unlikely that a store of the size proposed would be able to achieve the significant reduction in leakage assumed by AP.

2.34 In order to achieve this clawback, AP set out from where they anticipate the Tesco would reduce the amount of expenditure currently spent by catchment area residents as follows:

- 47% reduction to Tesco Hungerford (1,337 sq m net)
- 59% reduction to Morrisons Devizes (2,281 sq m net)
- 55% reduction to Tesco Swindon (7,570 sq m net)
- 53% reduction to Sainsbury's Stratton (4,024 sq m net)

2.35 It should be noted that these stores, with the exception of Tesco Hungerford, are all significantly larger than the proposed Tesco (as shown above). Swindon and Devizes are also larger towns and attract comparison shopping trips and commuters from the catchment area. The reduction to the Hungerford Tesco seems realistic, however the other levels of reduction seem unlikely.

2.36 The WYG trade draw pattern appears more realistic in terms of clawback but we would still anticipate a greater proportion of trade diversion from the Waitrose store, because this store will be the main direct competition to the proposed store(s).

## Conclusion

2.37 Both Retail Assessments generally adopt robust base data but other assumptions appear unrealistic. We consider that the AP assessment in particular overestimates the uplift in market share that could be achieved by reducing leakage, and that WYG have also underestimated trade diversion from Waitrose in the town centre.

2.38 The implications of these assumptions on impact is discussed in Section 4.0.

## 3.0 Sequential Approach

### Introduction

- 3.1 PPS4 indicates that retail proposals must satisfy the sequential approach to site selection. The suitability, viability and availability of more central sites must be considered.
- 3.2 In relation to the timing of development, PPS4 (Policy 5.5) indicates that local planning authorities should allocate sufficient sites to meet the identified need for at least the first five years. The PPS4 good practise guide suggests a '*reasonable period of time*' should be determined on the merits of a particular case. It also suggests it could be appropriate to assess availability over three to five years, or a longer period depending on local circumstances.
- 3.3 Annex B of PPS4 indicates the defined primary shopping area is the location where retail development should be concentrated. Edge-of-centre sites for retail purposes will be a location that is well connected to and within easy walking distance (i.e. up to 300 metres) of the primary shopping areas (PSA). The PPS4 good practise guide suggests local topography and barriers (such as crossing major roads and car parks should be taken into account.
- 3.4 Annex B of PPS4 suggests the PSA will '*generally comprise the primary and those secondary frontages which are contiguous and closely related to the primary shopping frontage.*' The Kennet Local Development Plan identifies the Prime Shopping Area for Marlborough Town centre which would appear to correspond with this definition. Neither application site is within the Prime Shopping Area.
- 3.5 PPS4 Policy EC15 (15.1c) indicates that when considering edge-of-centre sites preference will be given to sites which are well connected to the centre by means of easy pedestrian access. Unlike PPS6 however, there is no distinction to be made in development control terms when it comes to the sequential assessment of alternative out-of-centre sites, but for plan making preference should be given to out-of-centre sites with the best connections to the town centre.

### Sequential Area of Search

- 3.6 There is scope for a qualitative improvement in the convenience offer of Marlborough. The only foodstore of a significant size is the 2,135 sq m (net) Waitrose in the town centre (IGD 2009 database). Further, there is scope to 'claw back' existing leakage from the Marlborough area and reduce the length of car journeys for main food shopping by improving the convenience offer in the town. We consider this 'qualitative' scope for improvement to be limited to the Town of Marlborough and that the town itself is therefore an appropriate area of search in terms of considering potential sequential sites.

## Site Size Threshold

- 3.7 PPS4 requires developers to be flexible in their approach to scale and format, which in turn will influence the minimum site size that can be considered suitable in the sequential search.
- 3.8 AP do not state what they consider the minimum size of site required is in order to meet the need for a second main foodstore in Marlborough.
- 3.9 WYG consider that the minimum size of site should closely match that of their proposal i.e. 2ha. We do not consider that this demonstrates sufficient flexibility in terms of layout and carparking and consider that a site of 0.5ha would be capable of accommodating a main food store.

## Sequential Sites Included in Search

- 3.10 Both application sites should be considered as out of centre as they are more than 300m walking distance from the Prime Shopping Area and must therefore satisfy the sequential policy test. The following sites are considered in terms of the sequential test in the Retail Assessments:

- Vauxhall Garage, off Kennet Place
- TH White County Stores site, London Road
- Microlights Premises Site, Elcot Lane

Whilst the original Retail Assessment accompanying the Tesco application did not consider the Council Depot (Sainsbury's) site in their sequential assessment, it is included in their Updated Assessment.

- 3.11 The Council have expressed their view that there are no other sequential sites that need to be considered.
- 3.12 We agree with the conclusions in both Retail Assessments that none of the sites are sequentially preferable alternatives to the application proposals.
- 3.13 Both applications therefore satisfy the sequential approach.



## 4.0 **Retail Impact**

### **Policy Requirements of Impact Assessment**

- 4.1 PPS Policy EC16 requires that out of centre planning applications for retail use which are not in accordance with an up to date development plan need to consider the impacts listed below. Most of these factors are considered on pages 10-17 of the AP Updated Retail Assessment. The WYG Retail Assessment provides this information on pages 25-26.
- 4.2 Policy EC16 of PPS4 indicates the assessment of impact should take into account current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made. Any over-supply of floorspace resulting from any of the planning application proposals may have an adverse impact on the town centre, and in this context retail expenditure capacity is relevant, but an over-supply of retail floorspace is not automatically a ground for refusal.
- 4.3 In assessing the impact of each proposal it is necessary to separate the proposed sales floorspace into convenience and comparison goods, as required in PPS4 (Policy 16.1 (b)).

### **Impact of Proposal on Planned Public and Private Investment**

- 4.4 Both Retail Assessment set out that there will be no impact on planned public and private investment.

### **Impact on Town Centre Vitality and Viability**

- 4.5 Both Retail Assessments have undertaken healthchecks of Marlborough town centre. Whilst WYG sets out this healthcheck in detail, AP does not. Nonetheless the evidence indicates that Marlborough is currently a healthy centre, which we would concur with.
- 4.6 NLP considers limiting the town centre health check to Marlborough itself to be appropriate given this centre is likely to sustain the most significant trade diversion from the proposed store.

### **Impact of the Proposal on Allocated Sites**

- 4.7 Both Retail Assessments state it has been agreed with Wiltshire Council that there are no allocated retail sites outside the town centre.

## Impact on In-centre Trade/ Turnover and Trade in the Wider Area

### Tesco Retail Assessment

- 4.8 AP have undertaken two impact scenarios. In Appendix II they assess the impact assuming that the store trades at company benchmark. In Appendix III they assess impact if the store were to trade at the lower level they anticipate. This expected convenience turnover of the store is £9.67 million (Table 6, appendix III) and is some 72% of the Tesco company average benchmark. Whilst AP state that the anticipated turnover is as forecast by Tesco, they give no explanation as to the circumstances of the proposal that would lead to it trading at this lower than average level. Given that the market potential of the area is good, with limited local competition and low retention rates, we would not expect the store, if developed in isolation, to have a particularly low turnover (the implications on potential turnover if both Sainsbury's and Tesco proceeded are discussed below).
- 4.9 AP sets out the anticipated impact of the Tesco proposal by estimating market shares pre-proposal (Table 4, Appendix II) and post-proposal (Table 7, Appendix II). Whilst this is an appropriate approach, the original analysis did not separate out the change in market shares for the Marlborough Waitrose store. This is a consideration as any potential closure of this in-centre foodstore as a result of the proposal would have an impact on the vitality and viability of the town centre. We subsequently asked AP for clarification. Their view is that the trade diversion estimated away from Marlborough would be weighted 80% from Waitrose and 20% from other town centre shops. This assumption appears reasonable.
- 4.10 AP assume that Marlborough town centre's market share of convenience goods expenditure in the catchment area will decrease from 50% to 47% as a result of the proposal. This equates to a trade diversion of just £1.62million, of which £1.29 million would be on Waitrose and £0.32 million on other stores. AP therefore assume that impact on Waitrose would be 7.3% and 6% on the rest of the stores in Marlborough.
- 4.11 Such levels of impact in themselves would not give rise to concern or represent a reason for refusal on impact grounds. However, the assessment is based on unrealistic assumptions of trade draw as set out in section 2.0.
- 4.12 We have therefore undertaken a sensitivity analysis of the potential impact below.

### Sainsbury's Impact on Convenience Goods Turnover of Marlborough

- 4.13 WYG sets out the anticipated impact of the Sainsbury proposal in Table 4, Appendix E (as updated).



- 4.14 As WYG do not have any data on existing turnovers, they have used the benchmark turnovers for 2010, and projected these forward to 2015 by applying convenience expenditure growth rates.
- 4.15 We would normally look for impact to be assessed against actual rather than benchmark turnovers as this reflects the true impact on facilities (particularly important if existing floorspace is trading below benchmark levels). However, in this instance the actual turnover levels of the town appear to be close to benchmark levels, so the impact assessment is not considered unsound in this respect.
- 4.16 As discussed in Section 2.0 however, we believe that WYG may have underestimated the proportional trade diversion from Waitrose, and in order to compare the impact of both proposals, we set out below our sensitivity test of impact of the two proposals.

### NLP Sensitivity Test

- 4.17 This sensitivity test is considered on an individual rather than cumulative basis (discussed below). It utilises actual turnover estimates from the AP Assessment. We have assumed that the Marlborough turnovers would benefit from an element of inflow and have therefore made an allowance for 15% inflow in the tables below.

Table 4.1 NLP Sensitivity Test of Tesco Impact

|                          | Turnover Pre – proposal 2014 | NLP Assumed Trade Diversion | Tesco Diversion | Turnover Post Proposal | Impact % |
|--------------------------|------------------------------|-----------------------------|-----------------|------------------------|----------|
| Waitrose, Marlborough    | £23.65m                      | 42%                         | £5.64           | £18.01m                | 23.9%    |
| Other stores Marlborough | £5.9m                        | 6%                          | £0.81m          | £5.09m                 | 13.7%    |
| Aldbourne                | £2.34m                       | 2%                          | £0.27m          | £2.07m                 | 11.5%    |
| Pewsey                   | £3.39m                       | 5%                          | £0.67m          | £2.72m                 | 19.8%    |
| Outside PCA              | -                            | 45%                         | £6.04m          | -                      | -        |
| Total                    |                              | 100%                        | £13.43m         |                        |          |

- 4.18 The above analysis suggests the greatest impact will fall on the Waitrose in Marlborough. Whilst the impact is high (24%) the anticipated turnover post opening of a Tesco store (£18.01m) is still a viable level.
- 4.19 The impact of the store on other convenience stores is estimated at 13.7%, however, it should be noted that this applies to the convenience stores only and not all other retail space in the town.

- 4.20 It is considered that the proposal would not lead to a significant adverse impact on the turnover of the centre.
- 4.21 The impact on Aldbourne is considered to be within acceptable limits and does not represent a significant adverse impact on turnover.
- 4.22 The impact on convenience floorspace in Pewsey is relatively high (20%) and is likely to be concentrated on the Co-op store. It is unlikely to be significant enough to cause the closure of the store.

Table 4.2 NLP Sensitivity Test of Sainsbury's Impact

|                             | Turnover<br>Pre –<br>proposal<br>2014 | NLP<br>Assumed<br>Trade<br>Diversion | Sainsbury's<br>diversion | Turnover<br>Post<br>Proposal | Impact<br>% |
|-----------------------------|---------------------------------------|--------------------------------------|--------------------------|------------------------------|-------------|
| Waitrose,<br>Marlborough    | £23.65m                               | 42%                                  | £4.41m                   | £19.24m                      | 18.6%       |
| Other stores<br>Marlborough | £5.9m                                 | 6%                                   | £0.63m                   | £5.27m                       | 10.7%       |
| Aldbourn                    | £2.34m                                | 2%                                   | £0.21m                   | £2.13m                       | 9.0%        |
| Pewsey                      | £3.39m                                | 5%                                   | £0.5m                    | £2.89m                       | 14.7%       |
| Outside PCA                 | -                                     | 45%                                  | £4.73m                   | -                            | -           |
| Total                       |                                       |                                      | £10.5m                   |                              |             |

- 4.23 As the estimated turnover of the Sainsbury store is less than that of the Tesco and the trade draw pattern assumed to be the same, it follows that the impact on in-centre turnover/trade of the Sainsbury's would also be considered acceptable.
- 4.24 It would be inappropriate of the Council to assume that the Sainsbury's will have materially less impact on in centre trade/turnover than the Tesco as both stores in reality are likely to trade at similar levels despite the fact that Sainsbury's has a lower company average benchmark than Tesco.

### Comparison Goods

- 4.25 The sales floorspace devoted to comparison sales within both proposals food is small. NLP estimates the turnover of the comparison element of the Tesco store to be around £1.2m (2007 prices) and WYG anticipates the Sainsbury would turnover at around £2.0m in terms of comparison goods. Trade diversion is likely to be spread amongst a number of shopping destinations. Given the limited amount of comparison floorspace proposed this will predominantly be comparison trade diverted from the Marlborough town centre and foodstores outside the catchment area. This trade diversion and impact will be offset by

future expenditure growth and none of the proposed food stores is expected to harm comparison shops in Marlborough town centre.

## Cumulative Impact

4.26 Given that the impact of one store is considered acceptable, it is appropriate to assess whether the cumulative impact of two stores would be acceptable.

4.27 In this instance, where the two stores are of similar size and are adjacent to each other, we would expect that neither store would achieve benchmark turnover. We have therefore assumed that each store would achieve 80% of its company average turnover. The impact of both stores is considered below.

Table 4.3 NLP Assessment of Cumulative Impact

|                          | Turnover Pre – proposal 2014 | NLP Assumed Trade Diversion | Cumulative diversion | Turnover Post Proposals | Impact % |
|--------------------------|------------------------------|-----------------------------|----------------------|-------------------------|----------|
| Waitrose, Marlborough    | £23.65m                      | 45%                         | £8.61m               | £15.04m                 | 36.4%    |
| Other stores Marlborough | £5.9m                        | 7%                          | £1.34m               | £4.56m                  | 22.7%    |
| Aldbourn                 | £2.34m                       | 2%                          | £0.38m               | £1.96m                  | 16.2%    |
| Pewsey                   | £3.39m                       | 5%                          | £0.96m               | £2.43m                  | 28.3%    |
| Outside PCA              | -                            | 40%                         |                      | -                       | -        |
| Total                    |                              |                             | £19.14m              |                         |          |

4.28 The impact on convenience floorspace turnover ranges from 16% in Aldbourn to 36% on the Waitrose. The diversion of £9m from the Waitrose would also have an impact on linked trip expenditure in the town centre associated with visits to this store, with knock on impacts for other businesses in the town centre. Such reduction in turnover is likely to be considered significant.

## Locally Important Impacts

4.29 There are no locally important impacts which require consideration.

## Wider Impact Considerations

4.30 Policy EC10 in PPS4 indicates that all proposals for economic development should be assessed against wider impact considerations as listed below. These factors are considered on pages 17-18 of the AP Assessment and at the beginning of Chapter 5 of the WYG Assessment. If, as is the case when considering the applications on an individual basis, the impact of the proposal

is not considered to be significant, then the positive and negative impacts of each application will need to be considered.

### **Carbon Emissions and Climate Change**

4.31 The environmental credentials of both proposals will need to be considered in terms of sustainable construction, energy etc. Both applications propose sustainable and energy efficient features in the store design. It is for the council to consider the merits of each scheme in terms of sustainability.

4.32 In terms of travel patterns both proposals are expected to divert existing shopping trips which may result in a reduction in average trip lengths if the proposals can claw back expenditure trips attracted to shopping destinations further afield.

### **Accessibility by a Choice of Means of Travel**

4.33 Policy EC10.2 (b) also suggests the relative merits of each application site in terms of accessibility by walking, cycling and public transport needs to be considered. Both are accessible to the same walk in residential catchment and nearby bus stop.

### **High Quality and Inclusive Design**

4.34 The comparative merits of each proposal in terms of the quality of design and impact on the character of the surrounding area will need to be considered.

### **Impact on Economic and Physical Regeneration**

4.35 The assessments claim that plans for the Council Depot site will secure the continued use of this site once the current depot is relocated to Marlborough Business Park. Whereas the Marlborough Business Park site will ensure that currently vacant land is brought back into use. We do not agree that this is a positive impact as the sites do not require regeneration.

### **Impact on Local Employment**

4.36 Both proposals will generate direct new employment. Some of this new employment will be displaced from existing uses e.g. other food stores in Marlborough, but there is likely to be a net gain in employment. In relation to the proposed food stores there is probably little to choose between the two applications in terms of new direct employment.

4.37 Both proposals are on protected strategic employment sites. The Council will therefore need to weigh the benefits of jobs generated through foodstore proposals against the prospects of the sites being developed for employment purposes in the near future. Safeguarding existing employment and indirect employment generation should also be taken into account.

## Conclusion

- 4.38 It is considered that neither application, when considered in isolation, would result in significant adverse impact. There are considered to be wider positive impacts of both proposals in terms of their job creation and energy efficient stores.
- 4.39 The cumulative impact of two new stores however, is considered to amount to significant adverse impact on town centre turnovers and vitality and viability.

## 5.0 **Conclusion**

- 5.1 Our review of the Retail Assessments submitted has found that both Assessments cover the policy requirements and tests of PPS4, although we do not agree with all of the assumptions and conclusion made in the Assessments.
- 5.2 The key retail policy test for the Council to consider in the determination of these applications is Policy EC17.
- 5.3 When considered individually, both applications pass the requirements of EC17.1 (sequential test and impact) and therefore EC17.2 follows that the applications should be determined by taking account of the positive and negative impacts and any other material considerations.
- 5.4 Both applications can be said to have positive impacts in terms of job creation and energy efficient design. The Council will therefore need to consider whether there are any other material considerations that should be taken into account such as impact on amenity, servicing arrangements, and traffic impact.
- 5.5 In assessing the cumulative impact of both applications it is considered that significant adverse impact could occur and the Council should not approve both applications under Policy EC17 1b.