

TOWN AND COUNTRY PLANNING ACT 1990
PLANNING AND COMPULSORY PURCHASE ACT 2004

ADDENDUM TO RETAIL AND LEISURE STATEMENT

FORMER BAE SITE
ELETTRA AVENUE
WATERLOOVILLE

PREPARED ON BEHALF
OF

HARGREAVES

11th January 2019

MWA

12 The Glenmore Centre
Jessop Court
Marconi Drive
Waterwells Business Park
Quedgeley
Gloucester
GL2 2AP

Tel: 01452 722323
Fax: 01452 881972
Email: mark@mwaplanning.co.uk

1.0 INTRODUCTION

- 1.1 The Council has requested clarification on the methodology involved in assessing the likely retail impact associated with 4,000 sq.m. gross Class A1 non-food retail space within the current application. We understand that the leisure uses have been accepted although the email from the Council's Principal Planning Policy Officer refers to trampoline and soft play uses. An assessment of these uses can be provided if thought appropriate, However we note that there is no existing indoor trampoline outlet within WaterlooVille Town Centre, which would be impacted by such an operator. The only soft play outlet is within the Horizon WaterlooVille Leisure Centre but this forms only a small part of the overall range of activities offered in that centre. We understand having spoken to the Principal Planning Policy Officer (Jade Ellis), that no additional technical analysis on the potential impact of these uses is required.
- 1.2 This addendum therefore addresses the methodology used in assessing the likely retail impact on WaterlooVille Town Centre. It follows the methodology adopted by Rapleys and which was agreed by the Council in granting permission in April 2016 for the use of Block E for leisure and/or non-food retail purposes (App. No. APP/15/00770). We note however, that the Leisure and Retail Statement submitted by Rapleys concluded that a 2.7% impact on the town centre would be "barely if at all perceptible" (paragraph 7.16).
- 1.3 As also confirmed by the Applicant, a suitably worded condition imposed on planning permission No. App/15/00770). Such a condition would limit the range of comparison goods which could be sold from the development materially reducing the potential design year turnover and we comment further on this in Section 2.0.

2.0 RETAIL IMPACT METHODOLOGY

- 2.1 The submitted assessment is based on the Council's Town Centres, Retail and Leisure Study which remains part of its evidence base underpinning both the Core Strategy (2011) and the Local Plan Allocations (2014). The steps used in the assessment follow those set out in NPPG 'Ensuring the vitality of town centres' (paragraph 017 ID;2b-017-20140306).

Step 1: Establish scope of the assessment

- 2.2 The assumptions which govern the methodology are set out in paragraph 4.8. We are not aware that the Council disagrees with any of the assumptions. In accordance with best practice we have used a constant price base (2007 prices) to allow comparison with figures used in the 2009 study. The sales density is based on data provided by Experian in its Experian Planner Briefing Note 14. It is based on the average for all comparison goods retailers in the UK and is not confined to bulky, comparison goods retailers who would typically trade at around £3,000 sq.m. at 2007 prices. It therefore assesses a realistic option in terms of design year turnover. However, we have also included an indication of the likely impact should the range of goods be restricted and the impact would then fall to well below 2% of the town centre's total comparison goods turnover in 2021.
- 2.3 We have assumed therefore that Step 1 is agreed.

Step 2: Examine no development scenario

- 2.4 Table 2 at Appendix [4] provides information on the available comparison goods expenditure taking into account the turnover of committed developments. This is sourced from Appendix C of the TCRLS 2009 (Table 9c). The estimated turnover of the committed schemes are clearly set out and since these are based on the Council's own study we assume they are agreed.
- 2.5 Table 2 demonstrates that in 2021 there is predicted to be a surplus of approximately £29m of comparison goods expenditure after taking into account improved turnover within existing centres and the committed schemes. This is approximately double the expenditure required to support the application proposal should it be occupied entirely as Class A1 non-food retail space.

- 2.6 Table 3 provides the estimated comparison goods turnover of Waterlooville Town Centre and Cowplain District Centre in 2021 based on a constant market share i.e. it is assumed that these centres will attract comparison goods expenditure in the same proportion in 2021 as they did in 2021. The use of a constant market share is best practice and allows existing retailers to benefit as a 'first draw' on the available expenditure before estimating whether there is any surplus expenditure to support additional retail space. The notes accompanying Table 3 set out the assumptions adopted which are again based on the TCRLS (2009). A constant market share approach is adopted in the TCRLS.

Step 3: Turnover

- 2.7 As we have stated above we have assessed a worse case which is not based on a restricted range of bulky, non-food retailers. Such retailers would generate a design year turnover of around £9m (based on £3,200 sq.m.¹). The estimated net sales area of 2,800 sq.m. is based on 70% of the gross and is consistent with the 66% adopted by Rapleys in support of the previous application. The net sales are can of course be controlled by condition.

Step 4: Assess trade draw from centres/stores

- 2.8 Table 4 sets out the trade draw assumptions. We have applied sensitivity testing to the trade draw estimates from the town centre. This also includes adding in the town's convenience goods turnover including Sainsbury's which the Council have now included within the town centre itself.

- Havant West includes Zones 7, 8, 9 and 10 although Waterlooville Town Centre also draws significantly from zones 11, 12 and 13. In 2021 from Zones 7-10 only, in excess of £126m generated by residents is predicted to be spent in shopping centres other than Waterlooville and Cowplain. Over the 5 years between 2016 and 2021 there will be a **cumulative 'loss' of £563m** from these 4 zones alone and this will continue under a 'do nothing' scenario i.e. unless the range and quality of comparison goods shopping in Waterlooville is improved. From Table 5 which is attached to this addendum the annual loss in 2021 from all 7 zones will be in excess of £171m. Consequently the trade draw estimates reflect the considerable potential to increase the trade retained locally.

¹ This is the sales density agreed by the Council in respect of the previous application for these types of retailers.

- While retaining all of this 'lost' expenditure is not realistic, a new development offering modern space units which are capable of attracting retailers not currently represented in the area, therefore has the ability to clawback some of this trade. For example reducing the leakage by 10% from zones 7-10 alone would provide between £12-13m in 2021 to support new space without impacting at all on existing centres within Havant West. This equates to around two-thirds of the design year turnover of the proposal which does not include adding in any 'surplus' capacity and which also assumes no increase in retention levels i.e. static market share. Therefore the assumption that 40% of the scheme's turnover (£c£6m) is drawn from outside the borough is considered entirely plausible given the leakage from Zones 7-13.
- The committed developments do not provide the quality or quantity of retail space to make any marked reduction in the amount of expenditure being lost from Havant West.
- The NPPG states that any conclusions should be proportionate giving a broad indication of the proportion of a proposal's trade draw likely to be achieved from different centres and facilities.
- The trade draw from the town centre is not 25% but 34% since it also includes Sainsbury's. This is generally consistent with the assumptions agreed in respect of App. No.15/00770 in 2016.
- As a sensitivity test, if the 25% trade draw from Waterlooville Town Centre (excluding Sainsbury's) was for example increased to 35% the impact would equate to 3.5% (£5.27m) on the town centre's **comparison goods** turnover only in 2021. The town centre would achieve a post-design year comparison goods turnover of around £145m, which would remain significantly in excess of that achieved in 2016 i.e. it would enable all existing retailers to benefit from rising comparison goods expenditure in the period to 2021. However, since the impact test must be applied to the **town centre as a whole**, when the town's **convenience goods turnover** is included, the town centre's total pre-impact turnover in 2021 would be approximately £199.8m². On this basis a trade draw of £5.27m (35%) would equate to an overall impact of **2.6%**.

² Table 8B of Appendix B to TCRLS 2009 estimates a convenience goods turnover within Waterlooville Town Centre of £49.54m in 2021. This does **not include** Sainsbury's which is now included within the town centre.

- If Sainsbury's is also included within the town centre's turnover the trade draw based on 44%³ would be £6.62m (£5.27m + £1.35m from Sainsbury's). With the total turnover of the Sainsbury's store included as part of the town centre, in 2021 the pre-impact turnover would be increased still further. The Economic Development Statement (September 2010) submitted by WYG Planning and Design in support of the Sainsbury's proposal estimated a design year turnover of the store of £37.7m.⁴ WYG estimated that £10.7m of convenience goods would be drawn from the town centre and therefore we have assumed after redistribution that £27m would be the net additional trade in the town⁵. In 2021 the town's pre-impact turnover would be approximately £227m. The impact would therefore be 2.9%.

- The total trade draw of 44% is comparable with the 39% estimated by Rapleys which was we understand agreed to be appropriate by the Council as recently as 2016.

Step 5: Assess impact

2.9 Given the surplus comparison goods expenditure predicted to be available in 2021 coupled with the significant scope to reduce leakage, when assessed on the basis of the town centre's total turnover, we do not believe that the impact would be significantly adverse. As required under the NPPF we have assessed both the impact on existing, committed and planned investment and vitality and viability. The scheme has the capacity to increase the total amount of expenditure retained within Havant West by in excess of £9m which is a relevant consideration under paragraph 89b) of the NPPF.

2.10 None of the impact figures suggest that the trade draw would be significantly adverse.

Proposed condition

2.11 Condition 8 imposed on planning permission No. APP/15/00770 restricted the range of non-food goods which could be sold from the site. It states:

"Use Class A1 floorspace within this development shall only be used for the sale of DIY products (including materials and accessories), home improvement products, carpets and floor coverings, fabric, furniture, soft and hard furnishings, floor coverings, household goods, homewares,

³ 35% from the town centre and 9% from Sainsbury's

⁴ Table 1 at Appendix 3; Statistical Tables. This includes convenience and comparison goods.

⁵ This is very broad brush since WYG assumed the trade diversion would occur in 2012.

decorative products, glassware, cookware, kitchen utensils, white and electrical goods, automotive and cycle parts, pet food, garden tools, arts and crafts materials, variety retailing, tents, camping, caravanning, leisure and outdoor activity equipment, or related accessories for all of the aforementioned or the provision of ancillary café facilities, unless otherwise agreed with the Local Planning Authority"

2.12 The reason for the condition is:

"In the interests of the viability and vitality of Waterlooville town centre in particular and having due regard to policy CS4 of the Havant Borough Local Plan (Core Strategy) 2011 and the National Planning Policy Framework 2012."

2.13 At the time of determining that application it was agreed that the use of Block E for the sale of such products would achieve a turnover of £9.86m (paragraph 7.2 of the Leisure and Retail Statement, July 2015). This was based on a gross floorspace of 4,725 sq.m. and a net sales area of up to 3,150 sq.m. (67% of the gross space).

2.14 We have assumed that 70% of the space would be used for retail trading and on the basis of the agreed sales density of £3,000 sq.m. it would achieve a design year turnover of £8.4m. (based on 4,000 sq.m. gross; 2,800 sq.m. net).

2.15 If 44% of the turnover (£3.7m) is drawn from the town centre including Sainsbury's the impact in 2021 would be **1.6%**. This would also result in a less than significantly adverse impact. Indeed even with 50% trade draw the impact would be less than **1.9%**.