HAMBLETON DISTRICT COUNCIL

England & Lyle

PROPOSED FOODSTORE DEVELOPMENT, STILLINGTON ROAD, EASINGWOLD

REVIEW OF PPS4 RETAIL ASSESSMENT BY MARRONS

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1. Introduction

1.1 England & Lyle have been requested by Hambleton District Council to review the proposals by Retail Development Partnership for a foodstore development on a site on the north side of Stillington Road in Easingwold. The site was formerly in commercial use but is now disused. The planning application (ref. 11/02245/FUL) is for a supermarket and residential use comprising five dwellings. This Review is concerned only with the retail element of the proposed development.

1.2 The Review focuses on the PPS4 Retail Assessment (October 2011) prepared by Marrons in support of the planning application. It is an independent review of the retail policy implications of the proposed development which is intended to advise the Council on the extent to which the proposals comply with policy guidance in the Hambleton Local Development Framework and national policy in PPS4.

1.3 The Review considers:

- the nature of the proposed retail development
- the policy context for retail development in Easingwold
- existing shopping provision in Easingwold
- existing shopping patterns in the local area
- the need for the proposed retail development
- compliance with the PPS4 Policy EC10 considerations
- the robustness of the sequential site assessment in relation to Policy EC15
- the applicant's retail impact assessment taking account of the estimated turnover of the development, trade draw, clawback assumptions and predicted trade diversions
- compliance with the impact criteria in PPS4 Policy EC16, and
- advice on the application of the evaluation factors in Policy EC17.

1.4 We note that the following matters have been agreed between the applicant and the Council:

- the scope of the retail assessment
- the definition of the catchment area of Easingwold, and
- the use of an up-to-date household survey in the catchment area.

1.5 We accept the findings of the household survey and the data in the Pitney Bowes MapInfo Anysite Report. We note that all monetary figures in the report are expressed in 2010 prices. The design years for the retail assessment are 2014 and 2016, which we also consider to be acceptable.

2. The Proposed Development

2.1 The application site on Stillington Road was formerly occupied by Falcon Office Furniture, a Fire Station and a Council depot. The site is within the urban area of Easingwold, in an out-of-centre location, approximately 400 metres from the boundary of the town centre and 500 metres from the defined primary shopping area.

2.2 The proposed supermarket has a gross floorspace of 2,323 sq. metres (25,000 sq.ft) and a net sales area of 1,486 sq.m. (16,000 sq.ft), of which 1,286 sq.m. is for the sale of convenience goods. The operator of the proposed store has not yet been confirmed.

2.3 The proposed floorspace and estimated turnover of the store are shown below.

	Floorspace (sq.m. net)	Sales density (£ per sq.m.)	Turnover 2016 (£m)
Convenience	1,286	£12,000	£15.43m
Comparison	200	£7,800	£1.56m
Total	1,486		£16.99m

2.4 The overall sales density is £11,433 per sq.m. Marrons consider that 95% of the turnover of the store would de drawn from within the catchment area. We agree that the turnover assumptions are reasonable.

3. Planning Policy Context

3.1 Section 3 of the PPS4 Retail Assessment summarises the Planning Policy Context for the application. We do not have detailed comments on the planning policy context but we would point out that:

- Core Strategy Policy CP14 on retail and town centre development is relevant to the application. Marrons consider that the proposals accord with Policy CP14. This policy seeks to maintain and enhance the vitality and viability of the District's town centres, including Easingwold. The application must be judged on the basis of whether it would maintain and enhance the vitality and viability of Easingwold town centre. Retail development in Easingwold should be of a scale that meets the day-to-day needs of its rural catchment. Therefore, the scale of development proposed is also a matter for judgement by the Council.
- Marrons comment that the policies in the Development Policies DPD predate the publication of PPS4 at the end of 2009. That may be so but the Development Policies DPD remains part of the development plan and its policies carry weight accordingly. Policy DP23 relates to major out-of-centre shopping proposals and refers to need. Marrons state that DP23 is not directly relevant to the application proposals because need is no longer a policy test in PPS4. However, applications must be assessed against the provisions of the development plan, and therefore need is a factor to be taken into consideration in assessing this proposal.
- Policy DP23 also refers to the sequential approach and impact and it is relevant to take account of these requirements, which are consistent with the policy tests in PPS4.
- The Allocations DPD is also relevant. Policy EM1 allocates a site for mixed use development in Easingwold. Marrons consider that the application proposals are materially different to the form of development proposed as part of the EM1 allocation and that the EM1 allocation is not relevant to the application proposals. We disagree and we consider the EM1 site in reviewing the application of the sequential approach and the PPS4 Policy EC16 impact test.

3.2 The PPS4 Retail Assessment refers to the Government's priority to promote economic growth expressed in recent policy statements and the draft National Planning Policy Framework. The draft NPPF states that local authorities should attach significant weight to the benefits of economic growth. The NPPF also confirms that national policy will continue to promote the vitality and viability of centres and meet the needs of consumers for high quality and accessible retail services. In August 2011 the Planning Inspectorate produced advice for Planning Inspectors on the interpretation of the draft NPPF. It states that:

"The draft National Planning Policy Framework is capable of being a material consideration, although the weight to be given to it will be a matter for the decision maker's planning judgment in each particular case."

4. Existing Shopping Provision

4.1 The Retail Assessment report summarises existing shopping provision in Easingwold. In terms of convenience goods shopping the largest existing foodstore is the Co-op supermarket on Long Street with a net floorspace of 508 sq.m. of which 470 sq.m. is used for convenience goods sales. The Co-op store is in an out-of-centre location, 375 metres from the primary shopping area. Also on Long Street is a Costcutter convenience store, which is in an edge-of-centre location but within the defined town centre boundary.

4.2 The town centre contains a small number of specialist convenience goods shops including another small Co-op store, two butchers, two bakers, two delicatessens, a newsagent, confectioner, whole food shop and off licence. Outside Easingwold there are 6 village shops in the catchment area selling convenience goods – in Helperby, Huby, Husthwaite, Linton-on-Ouse, Stillington and Tollerton. The shop in Tollerton is particularly well used for top-up food shopping.

4.3 Table 5 in the Retail Assessment shows that the total convenience goods benchmark turnover in the catchment area is estimated to be £6.17m, of which £5.86m is drawn from within the catchment area. Table 6 estimates that Easingwold has a total comparison goods turnover of £3.89m, all of which is drawn from within the catchment area. The comparison goods turnover is based on the household survey data, not benchmark turnovers.

4.4 We have examined the survey-based estimates of convenience turnover stated in Appendix Tables 2.1, 2.2, 2.5 and 2.6 of the Retail Assessment and we believe the correct figures should be as shown below.

Turnover (£ million)	**Main Food**	**Top-up Food**	**Total**
Co-op, Easingwold	3.86	1.67	5.53
Easingwold town centre	0.49	1.02	1.51
Village shops	0.26	0.75	1.01
Catchment total	4.61	3.44	8.05

5. Shopping Patterns

5.1 A household survey was conducted in 2004 as part of the Town Centres Study for Hambleton carried out by Nathaniel Lichfield and Partners. Although Marrons have referred to the 2004 data we have no comments on it because it is dated and not a reliable basis for assessing shopping patterns now. Marrons commissioned a further household survey in 2011, again from NEMS Market Research who conducted the survey in 2004. This household survey, undertaken in July 2011, was conducted across the Easingwold subarea used by the District Council and comprised 204 interviews in 7 local authority wards. In our experience this is a relatively small sample for a household survey, with as few as 23 and 24 interviews in 5 of the 7 zones. However, we estimate that it represents 3% of households in the survey area which we consider to be acceptable as a basis for assessing shopping patterns. The Easingwold subarea has been adopted by Marrons as the catchment area for the proposed development.

5.2 Analysing the household survey data, Easingwold (Co-op and town centre) has a market share of 21% of main food shopping, 44% of top-up food shopping and 25% of convenience goods shopping overall in the survey area. The village shops have a market share of 4% of all convenience goods shopping. The remainder of the convenience shopping carried out by local residents represents leakage of spending to stores outside the survey area. The Retail Assessment does not give a breakdown of where this leakage goes to but we have analysed the data further to get a better understanding of shopping patterns for convenience goods. The distribution of spending is shown below for all convenience goods shopping.

Convenience Goods	£ million	per cent
Co-op, Easingwold	5.53	21%
Easingwold town centre *	1.10	4%
Village shops	1.01	4%
Catchment total	7.64	29%
Tesco, Clifton Moor, York	7.05	27%
Tesco, Thirsk	2.00	8%
Morrisons, Boroughbridge	4.37	17%
Other leakage	4.97	19%
Total	26.09	100%

* includes Costcutter

5.3 The Co-op supermarket in Easingwold has a market share of 72% of all convenience trade in the catchment area. Although Marrons emphasise that the role of the Co-op is mostly for top-up food shopping, this is not borne out by the household survey data which shows that 70% of the spending in the Co-op is in main food shopping. The Co-op clearly plays an important role in meeting the main food shopping needs of local residents. We accept the analysis of Marrons that the Co-op store is over-trading by 65% as demonstrated by the results of the household survey.

5.4 The role of the shops in Easingwold town centre shown by the household survey is mostly for top-up food shopping. The village shops also have an important role for top-up food shopping, with a larger turnover in total for top-up trade than the shops in Easingwold town centre.

5.5 The retention level of convenience goods spending in the catchment area is only 29%. The extent of leakage of expenditure is 71%. Almost all of this leakage to large stores outside the catchment area is in main food shopping.

5.6 The household survey enables the geographical pattern of food shopping to be analysed by zone. For simplicity, the figures below refer only to the data for those respondents who said where they do their primary main food shopping and primary top-up food shopping. The Co-op in Easingwold is mostly used for main food shopping by residents of Easingwold (38%) and Stillington (29%).

5.7 The larger external stores are mostly used by residents who live in the peripheral parts of the catchment area closest to those stores. For main food shopping Tesco at Clifton Moor, York is mostly used by residents of Shipton (56%), Huby and Sutton (54%), Tollerton (46%) and Stillington (42%). Tesco in Thirsk is used predominantly by residents of the White Horse ward (63%). Morrisons in Boroughbridge is used mostly by residents of Helperby (48%). Only 38% of Easingwold residents mostly visit Tesco at Clifton Moor for main food shopping, and very few visit Tesco in Thirsk or Morrisons in Boroughbridge.

5.8 For top-up food shopping the Co-op in Easingwold is particularly well used by residents of Easingwold (79%), Tollerton (55%), Helperby (47%), Huby and Sutton (44%) and Stillington (44%). The local shops in Easingwold are mostly used by residents of Stillington (22%), Huby and Sutton (22%) and Easingwold (11%).

6. Need Assessment

Quantitative Need

6.1 There is no longer a policy test in PPS4 which requires the need for new shopping floorspace outside centres to be demonstrated. However, as noted earlier, Policy DP23 in the Development Policies DPD on Major Out-of-Centre Shopping Proposals requires that proposals must demonstrate quantitative and qualitative need as well as meeting the other former PPS6 policy tests. This policy remains part of the development plan and so need should be taken into consideration in assessing this proposal. In PPS4 need remains a factor in assessing impact. Evidence of need will tend to reduce the likely impact on existing centres and stores; a lack of need can be an indicator that an adverse impact may occur.

6.2 We agree with the definition of the catchment area used in the Retail Assessment and the assumption that 95% of the trade of the proposed store would be drawn from within the catchment area. We also agree with the estimates and forecasts of population in Table 1 and with the estimates and forecasts of convenience and comparison goods expenditure in Tables 2 and 3.

6.3 We accept the estimates of existing benchmark turnover drawn from within the catchment area:

- Convenience goods £5.86m
- Comparison goods £3.89m

6.4 Marrons have carried out a capacity analysis for convenience and comparison goods in Tables 8 and 9. We have reservations about the capacity analysis and we have made an independent review of the methodology and assumptions to assess capacity.

<u>Convenience Goods</u>

6.5 The capacity analysis for convenience goods carried out by Marrons in Table 8 compares existing expenditure and benchmark turnover in the catchment area and regards the difference as expenditure capacity. This is not correct. The difference between expenditure and turnover is simply leakage from the catchment area. It is assumed that the proposed store would be supported by this leakage. But a new store would not take all its trade from clawback of leakage.

6.6 In Table 1 of this Review we reproduce the figures from Marron's Table 8 and we set out our own assessment of capacity using a market-share approach. We calculate that the existing retention level or market share for convenience goods expenditure in Easingwold is 31%. There is potential for this retention level to increase if a new foodstore is developed. Marrons assume that 84% of the convenience turnover of the proposed store would be drawn from clawback of leakage. This is a very high level of clawback and we assume the store would attract up to 70% of its convenience trade from clawback. The reduction in leakage would increase the retention level by 40 percentage points from 31% to 71%. We believe it is very unlikely that Easingwold could achieve a market share of more than 71% of convenience goods because of the proximity of larger stores such as Tesco at Clifton Moor and in Thirsk, and Morrisons in Boroughbridge.

6.7 The retention level of 71% is used in Table 1 to calculate the amount of convenience expenditure that could be retained in 2014 and 2016. Subtracting the turnover of existing shops, there is an expenditure capacity of £13.2m in 2014 and £13.6m in 2016. This is lower than the estimated convenience turnover of the store of £14.8m (turnover from within the catchment area). Therefore, in our assessment there is not sufficient expenditure capacity to support the convenience turnover of the store. Although this is not in itself a PPS4 policy test, the lack of capacity is an indicator that there may be an adverse impact on shops in Easingwold.

<u>Comparison Goods</u>

6.8 The capacity analysis for comparison goods carried out by Marrons in Table 9 also compares existing expenditure and turnover in the catchment area and regards the difference as expenditure capacity, but as explained above the difference is simply leakage from the catchment area. It is assumed that the proposed store would be supported by this leakage of expenditure.

6.9 In Table 2 of this Review we reproduce the figures from Marrons' Table 9 and we set out our own assessment of capacity using a market-share approach. The existing retention level or market share for comparison goods expenditure in Easingwold is only 9%. There is potential for this retention level to increase if a new store is developed. Marrons assume that 97% of the comparison turnover of the proposed store would be drawn from clawback of leakage. We believe this is excessively high but we believe the store could attract up to 85% of its comparison trade from clawback. The reduction in leakage would increase the retention level by 3 percentage points from 9% to 12%. We believe it is very unlikely that Easingwold could achieve a market share of more than 12% of comparison goods because of the attraction of larger centres such as York, Clifton Moor and Thirsk for comparison goods shopping.

6.10 The retention level of 12% is used in Table 2 to calculate the amount of comparison expenditure that could be retained in 2014 and 2016. Subtracting the turnover of existing shops, there is an expenditure capacity of £1.7m in 2014 and £2.2m in 2016. This is slightly higher than the estimated comparison turnover of the store of £1.5m. Therefore, although we disagree with the methodology used by Marrons in the capacity analysis, we agree that there is sufficient expenditure capacity to support the comparison turnover of the store.

Qualitative Need

6.11 The PPS4 Practice Guidance sets out the basis for assessing qualitative retail need. The Practice Guidance describes five factors which are frequently used to identify qualitative retail need:

(a) Deficiencies or 'gaps' in existing provision
(b) Consumer choice and competition
(c) 'Overtrading' congestion and overcrowding of existing stores
(d) Location specific needs-deprived area considerations
(e) The quality of existing provision.

6.12 In relation to these factors, Marrons place an emphasis on over-trading and consumer choice and competition. Over-trading can be an indicator of quantitative and qualitative need. The over-trading in the Co-op supermarket in Easingwold, estimated by Marrons as 65%, combined with the high level of leakage from the catchment, does suggest that there is a need for additional convenience floorspace. As the service centre for the catchment it would be appropriate for any new floorspace to be located in Easingwold if a suitable site can be found.

6.13 We also agree that a new store would increase consumer choice and competition for food shopping. However, the household survey shows a high level of satisfaction with Easingwold as a place to shop. Asked what people like least about Easingwold, only 1.5% of respondents mentioned the lack of a large supermarket; asked how Easingwold could best be improved only 6.4% of respondents said there needs to be a new, bigger supermarket. Although an improvement in food shopping may be required in Easingwold, in our view there is not an over-riding qualitative need for the new supermarket that is proposed.

6.14 Again it is useful to consider the geographical pattern of main food shopping in different parts of the catchment area. Based on responses to where residents do their primary main food shopping, 38% of Easingwold residents currently use the Co-op in Easingwold but a further 38% visit Tesco at Clifton Moor. In the northern part of the catchment area 63% of residents of the White Horse ward visit Tesco in Thirsk. In the eastern and southern parts, 42% of Stillington residents, 54% of Huby and Sutton residents and 56% of Shipton residents mostly shop in Tesco at Clifton Moor. In the western part, 46% of Tollerton residents use Tesco at Clifton Moor and 48% of Helperby residents use Morrisons at Boroughbridge. The extent to which people living in these peripheral areas may be prepared to change their shopping patterns if the proposed supermarket opens in Easingwold is uncertain. The proposed supermarket is smaller than Tesco in Thirsk and Morrisons in Boroughbridge, and significantly smaller than Tesco at Clifton Moor. The implication is that it will not compete with these external stores to the extent that is claimed by the applicants and it will not achieve the amount of clawback of leakage that has been assumed.

7. PPS4 Policy EC10 Considerations

7.1 Marrons have carried out an assessment of the application proposals against the general impact considerations set out in PPS4 Policy EC10 which states that:
"All planning applications for economic development should be assessed against the following impact considerations:

- whether the proposal has been planned over the lifetime of the development to a. limit carbon dioxide emissions, and minimise vulnerability and provide resilience to, climate change;
- the accessibility of the proposal by a choice of means of transport including walking, cycling, public transport and the car, the effect on local traffic levels and congestion (especially to the trunk road network) after public transport and traffic management measures have been secured;
- 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;
- the impact on economic and physical regeneration in the area including the impact on deprived areas and social inclusion objectives;
- the impact on local employment."

7.2 We have no comments in relation to the first three factors – climate change, accessibility and design. These are matters for consideration by the Council.

7.3 Our comments in relation to Policy EC10 are concerned with regeneration and employment. These are aspects which can represent material benefits of a proposed development that have to be weighed in the balance in evaluating the positive and negative impacts as required in Policy EC17 (covered later in Section 10).

7.4 Marrons claim that the application proposals will have a positive impact on the economic regeneration of the local area by securing the redevelopment of a currently vacant and underused brownfield site. We agree that the site is in need of redevelopment. Its appearance is unattractive at present and there is potential for the site to be re-used. The proposed use for a foodstore may not be the most appropriate use for the site. The application proposals also include residential use and the surrounding area is predominantly residential in character. In our professional view as planning consultants, redevelopment for residential uses would be more appropriate.

7.5 Marrons estimate that the proposed foodstore would provide 150 full-time and part-time jobs. The basis for this estimate is not given but it is stated that there would be 100 full-time equivalent (FTE) jobs. The most reliable source of data on employment density for retail and other town centre uses is the Employment Densities Guide produced by Drivers Jonas Deloitte in 2010 which indicates an average figure for food superstores of 1 job (FTE) per 17 sq.m. net sales area. With a net sales area of 1,486 sq.m. the proposed store could be expect to create 87 jobs. The estimate of 100 jobs is therefore slightly high.

7.6 It should also be noted that in assessing employment benefits it is necessary to take account of job displacement if there are job losses in other shops arising from the impact of a new supermarket. There are approximately 300 jobs in Easingwold in the retail and wholesale distribution sector. Some of these jobs will be threatened if shops lose trade or even close as a result of the new supermarket that is proposed. In Section 9 on Retail Impact we assess that there could be a trade diversion of 34% of total retail turnover in Easingwold if the supermarket development takes place. This would not represent a 34% loss of jobs but even if the impact on employment was half of this figure, a 17% impact would result in the loss of 50 jobs, which is half the number of new jobs claimed by the applicant.

7.7 The Easingwold and Villages Area Profile published by Hambleton Strategic Partnership in Spring 2011 shows that the the Easingwold area has a lower rate of unemployment (1.5%) than the District (2.2%) and the regional and national averages at that time. It also has a low level of deprivation. There is no over-riding need for the proposed development to meet deprived area and social inclusion objectives.

7.8 Although Government policy is placing an emphasis on economic growth, there remains a strong preference for new retail development to be located in town centres. The economic benefits that may be gained from new retail development do not outweigh the conflict with the 'town centres first' priority in national planning policy. In this instance our advice is that little weight should be attached to the positive benefits of the scheme in terms of regeneration and employment, when compared to the negative impacts that are highlighted in this Review.

8. Sequential Assessment

8.1 England & Lyle have reviewed the adequacy of the sequential site assessment in the PPS4 Retail Assessment report. The application site is in an out-of-centre location and so sites which are more central (within centres or edge-of-centre) are sequentially preferable. In Policy EC5.2 PPS4 also clarifies that in applying the sequential approach to out-of-centre sites, preference should be given to out-of-centre sites "which are or will be well served by a choice of means of transport and which are closest to the centre and have a higher likelihood of forming links with the centre".

8.2 We agree with the approach adopted by Marrons that the sequential site assessment is confined to Easingwold. The only alternative site assessed by Marrons is Tanpit Lodge/Acorn Court. We agree that, for the reasons stated in the report, this site is not suitable or available for the type of development proposed at Stillington Road.

8.3 Marrons also refer briefly to the EM1 mixed use allocation site which is close to the application site. This site is dismissed because it is further away from the town centre than the application site and is not suitable to accommodate the application proposals. We have looked in some detail at the EM1 site and have taken account of the description of the site and the supporting justification in the Allocations DPD. We agree that the northern part of the site, accessed from Stillington Road, is most appropriate for small-scale B1 employment uses. In our view that part of the site is no more suitable for major retail development than is the current application site and so is not sequentially preferable. However, we believe there are merits in considering the southern part of the site, accessed from York Road, as an alternative site for large-scale retail development. This part of the site occupies 3.5 ha which is significantly larger than the application site. It also has good access from York Road, the main route into Easingwold from the south, with significantly less conflict with residential uses. It is considered to be suitable in the Allocations DPD for B2/B8 employment uses or other employment uses but excluding town centre uses.

8.4 We would advise the Council that the southern portion of the EM1 allocation site could be considered to be locationally preferable to the application site on Stillington Road. In our view the application site is not sequentially preferable to the EM1 site because in PPS4 terms both sites are out-of-centre and the EM1 site is better served by a choice of means of transport and it is not significantly further away from the town centre than the application site. The principle of large-scale development for commercial uses is established on the EM1 site in the Allocations DPD. In relation to PPS4 Policy EC17.1a we would advise that the applicant has not demonstrated compliance with the requirements of the sequential approach (Policy EC15).

9. Retail Impact

9.1 An independent review has been carried out of the assessment of the proposed development against the requirements of PPS4 Policy EC16. Policy EC16 requires an assessment in relation to six criteria, in summary:

- Investment
- Vitality and viability of centres
- Allocated sites outside centres
- Trade/turnover in the catchment area
- Scale, and
- Any locally important impacts.

9.2 In this instance scale is not relevant in PPS4 terms because it applies only to proposals that are within or on the edge of centres. However, scale is relevant to Core Strategy Policy CP14 and we take it into account. No locally important impacts are identified in the LDF, therefore we discount this factor. Our assessment focuses on the other criteria listed. Our experience is that it is necessary to first concentrate on impact on trade/ turnover because the conclusions on trading impact affect the assessment of impacts on investment and vitality and viability.

Impact Assessment

9.3 A detailed review has been made of the retail impact assessment for the proposed development undertaken by Marrons and shown in Table 10 of the PPS4 Retail Assessment. We have reviewed the retail impact assessment taking account of the estimated turnover of the development, trade draw and predicted trade diversions. To assist the Council's understanding of the retail impact assessment we have adopted a different format for the assessment in Tables 3-5 of this Review. Tables 3, 4 and 5 are presented for convenience goods, comparison goods and all retail trade respectively. In each table the first part shows Marrons' impact assessment and the second part shows England & Lyle's independent assessment. The impact assessment is for 2014.

<u>Convenience Goods</u> (Table 3)

9.4 The assessment by Marrons is that 84% of the convenience turnover of the store would be drawn from clawback of leakage and 16% from within the catchment area, including 15% from the Co-op in Easingwold. The predicted trade diversions are 43% from the Co-op and 30% from Easingwold in total. Very little trade diversion (less than 1%) is predicted from shops in the town centre.

9.5 In our independent assessment we believe that 70% of the store's convenience turnover would be drawn from clawback and 25% from within the catchment area, of which 20% would be from the Co-op, 4% from shops in Easingwold town centre and 1% from village shops. It is unreasonable to disregard impact on the smaller shops, as Marrons have done. They have a total turnover approximately half that of the Co-op and they include Costcutter and other shops that sell general convenience goods. The proposed store will cater for top-up as well as main food shopping (as does the Co-op at present) and it will compete with smaller food shops in Easingwold and in the villages. We predict that the trade diversions would be 56% from the Co-op, 41% from other shops in Easingwold, 50% from Easingwold in total and 15% from the village shops. The overall trade diversion in the catchment area is 48%. We have also allowed for an inflow of 5% of trade which is excluded from Marrons' assessment.

<u>Comparison Goods</u> (Table 4)

9.6 The assessment by Marrons is that 97% of the comparison turnover of the store would be drawn from clawback of leakage and just 3% from within the catchment area, including the Co-op and other shops in Easingwold. The predicted trade diversions are 8% from the Co-op, less than 1% from other shops and 1% from Easingwold in total.

9.7 In our independent assessment we believe that 85% of the store's comparison turnover would be drawn from clawback and 10% from within the catchment area, of which 9% would be from shops in the town centre and 1% from the Co-op which has only a small turnover in comparison goods. We predict that the trade diversions would be 6% from the Co-op, 4% from shops in Easingwold town centre and 4% from Easingwold in total. We have also allowed for an inflow of 5% of trade which is excluded from Marrons' assessment.

<u>Overall Impact</u> (Table 5)

9.8 In Table 5 the convenience and comparison goods impacts are combined. The assessment by Marrons is that the predicted overall trade diversions are 41% from the Co-op, less than 1% from other shops and 20% from Easingwold in total. Our assessment is that the predicted trade diversions would be 54% from the Co-op, 14% from shops in Easingwold town centre, 34% from Easingwold in total and 16% from the village shops.

9.9 We have not commented on the effects of clawback on the large stores outside the catchment area because they are all outside town centres and the impacts on these stores are not a material planning consideration.

Interpretation of Impact

9.10 In line with PPS4 Policy EC17, it is necessary to make a judgement about whether the levels of impact arising from the proposed development would represent a "significant adverse impact" that would justify refusal of the planning application. The PPS4 Practice Guidance advises that impact should be considered in terms of a centre as a whole, not the impact on individual stores that may compete directly. Therefore we interpret the impact in terms of overall retail trade in Easingwold town centre as a whole, with reference to the figures in Table 5.

9.11 The predicted overall impact of 14% of trade in Easingwold town centre is in our opinion a significant adverse impact. No thresholds are stated in PPS4 or in the Practice Guidance on what is a significant level of trading impact but it is generally acknowledged (and has been accepted by Inspectors) that an impact of more than 10% could be considered to be ‘significant’. The impact would be mostly on convenience goods shops in the town centre which are essential to the health and the character of the centre. These shops could experience a 41% trade diversion which would be very likely to result in closures. At present the shops in the town centre co-exist with the Co-op. They have a complementary role providing a specialist service to local residents. A larger supermarket outside the town centre would enable shoppers to do a wide range of food shopping in the store, reducing the need to also visit shops in the town centre to buy particular goods – meat, bakery items, alcoholic drinks, newspapers, confectionery, etc.

9.12 Easingwold is an attractive market town which is based around its historic town centre. A loss of trade in the shops in the town centre could harm the character of the town centre. The 2011 household survey shows that in response to the question on what people like most about Easingwold, after its convenience to where people live (28%), the next highest responses were its character/atmosphere (19%) and its independent/specialist shops (18%). A loss of trade could seriously affect the profitability of existing independent businesses that are essential to the character of the town centre. The quality of shopping provision in the centre could decline if existing businesses are replaced by poorer forms of retail use or even non-retail uses. There is a risk that the development could weaken the role of the town centre as a centre for shopping and services for its rural hinterland.

9.13 In relation to Policy EC16b we disagree that the application proposals would have a positive impact on the vitality and viability of the town centre. On the contrary, although a new store would increase consumer choice and competition, it would have a negative effect on the attraction of the town centre for shoppers and the vitality and viability of the town centre would worsen. Part of the risk of harm to the vitality and viability of the town centre arises from the impact on the Co-op supermarket. Marrons acknowledge that the Co-op supermarket would experience a significant trade diversion as a result of the new foodstore development and our assessment confirms that the trading impact is likely to be more than 50%. A significant adverse impact on the Co-op is not in itself a material planning consideration because the store is outside the town centre. However, there would be a reduction in linked trips between the Co-op and shops in the town centre for those shoppers who currently use the Co-op for their main food shopping. A significant reduction in the role of the Co-op for main food shopping would have a knock-on effect on trade in Easingwold town centre and the overall vitality and viability of the town centre. In our view the proposals conflict with Policy EC16b.

9.14 Marrons believe that the Co-op is over-trading by 65% above its benchmark (company average) turnover of £7,140 per sq.m. net in convenience goods. A 56% trade diversion from the Co-op would lower its convenience turnover to £3.10m or £5,439 per sq.m. which is only three-quarters of its benchmark turnover. With a trade loss of this magnitude the store would offer a much reduced level of service to customers. Shoppers would transfer from the Co-op to the new store which is much further from the town centre and they would be less inclined to also visit shops in the town centre because the supermarket would provide for most of their convenience shopping needs.

9.15 The predicted trading impact of 16% on the village shops is a matter of concern. Village shops are in a vulnerable state at present. Many find it difficult to survive. The loss of trade to a new supermarket in Easingwold could have serious implications for some of the village shops in the catchment area which provide a valuable service to their rural communities.

9.16 We also have concerns about the potential negative effect of the proposed supermarket development on the market in Easingwold. There is a popular market in the Market Square every Friday operated by the Town Council with a farmers market every third Wednesday of the month. The outdoor market has around 24 stalls. In the household survey the next highest response to the question about 'likes' in Easingwold was the market (7%). A decline in trade in the town centre would inevitably affect the use of the outdoor market.

9.17 In relation to Policy EC16a we are not aware of any planned investment in Easingwold town centre that may be affected by the proposed development and so there should not be any harm to investment in the town centre. With reference to Policy EC16c, the EM1 site represents an allocated site outside the town centre. It is allocated for mixed use development, excluding major retail development, but there may be potential for some retail and service uses on the site and the development of a supermarket in the same general locality could prejudice the prospects for successful mixed use development of the EM1 allocation site.

9.18 Although scale is not applicable in Policy EC16e in the case of out-of-centre proposals, scale is relevant to Core Strategy Policy CP14. This policy seeks to ensure that the scale of retail development in Easingwold should meet the day-to-day needs of its rural catchment. We are concerned that a foodstore that has a net floor area three times as large as the Co-op supermarket on Long Street could be inappropriate in scale for Easingwold and that the scale is too large for a rural service centre.

10. Policy EC17 Evaluation

10.1 PPS4 Policy EC17 states that planning applications for main town centre uses that are not in an existing centre and not in accordance with an up to date development plan should be refused planning permission where:

(a) the applicant has not demonstrated compliance with the requirements the sequential approach (Policy EC15); or

(b) there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of impacts set out in policies EC10.2 and EC16.1 (the impact assessment), taking account of the likely cumulative effect of recent permissions, developments under construction and completed developments.

10.2 Where no significant adverse impacts have been identified under policies EC10.2 and EC16.1, planning applications should be determined by taking account of:

(a) the positive and negative impacts of the proposal in terms of policies EC10.2 and EC16.1 and any other material considerations; and

(b) the likely cumulative effect of recent permissions, developments under construction and completed developments.

10.3 The PPS4 Practice Guidance suggests that an impact evaluation matrix could be used to assess the potential impacts of a retail proposal. To assist the Council in assessing the foodstore application we have used the information in this Review to prepare an evaluation matrix for the current application, which is shown overleaf.

10.4 Our assessment shows that:

(1) The proposals do not comply with Policy EC15 because the applicants have not fully considered the possible alternative of retail development on part of the EM1 allocation site which is a better-located out-of-centre opportunity. The application site is not sequentially preferable to the EM1 site.

(2) We consider that there would be adverse impacts on several of the tests in Policy EC16 and there would be a ‘significant’ adverse trading impact on Easingwold town centre.

(3) In relation to the factors in Policy EC10 factors we have concerns that the benefits of redevelopment of this brownfield site for retail use are not fully justified. Other uses such as residential may be more suitable in this location. We also believe the employment benefits may be lower than claimed by the applicants and that there may be job displacement because of retail impact.

(4) If the Council considers that it is necessary to balance the positive and negative aspects of the proposals, we would advise that although there may be some positive benefits there would also be negative impacts in terms of the effect on the vitality and viability of Easingwold town centre, a possible negative effect on prospects for the development of the EM1 allocation site, and conflict with Core Strategy Policy CP14 because of the inappropriate scale of retail development proposed.

PPS4 RETAIL POLICY EVALUATION MATRIX – FOODSTORE PROPOSALS, STILLINGTON ROAD, EASINGWOLD

POLICY TEST	**Compliance**	**Any significant adverse impacts**	**Adverse impacts**	**Acceptable**	**Comments**
EC15 Sequential Assessment					
Compliance with Sequential Approach	No			No	The application site is not sequentially preferable to the EM1 allocation site which is better located, available and suitable.
EC10 General Impact Considerations					
Climate Change	-				) These factors are not part of the Retail Review) and are matters for consideration by the Council.
Accessibility	-				
Design	-				
Regeneration	No			No	Benefits of redevelopment of this brownfield site are not fully justified. Other uses may be more suitable.
Employment	No			No	Job creation benefits may be lower than claimed and there may be job displacement
EC16 Town Centre Impact Assessment					
Impact on Trade/Turnover of Centres		Yes	Yes	No	Significant trading impact on Easingwold town centre
Effects on Planned Investment		No	No	Yes	No risk of harm to investment in the town centre
Effects on Vitality and Viability of Centres		No	Yes	No	Adverse impact on vitality and viability of Easingwold town centre as a result of trade diversion
Allocated Sites outside Town Centres		No	Yes	No	Possible negative effect on development of EM1 site
Scale		No	Yes	No	Not applicable in PPS4 terms but there is conflict with Core Strategy Policy CP14
Locally Important Impacts		No	No	Yes	Not applicable

11. Conclusions

11.1 Our conclusions are made with reference to the conclusions in the PPS4 Retail Assessment.

Marrons' Conclusions	***England & Lyle Comments***
There is a quantitative and qualitative need for the proposed retail development.	There is insufficient expenditure capacity in convenience goods to support the level of convenience floorspace proposed but there is capacity for the comparison goods element of floorspace.
There would be no significant trading impact on centres.	There is likely to be a significant adverse impact on convenience goods trade and overall retail trade in Easingwold town centre.
The proposed development would not harm the vitality and viability of any centres.	The level of trading impact in Easingwold town centre is likely to have an adverse impact on the vitality and viability of the town centre.
The proposals satisfy the sequential approach.	The application site is not sequentially preferable to the EM1 allocation site. The application does not adequately consider the EM1 site as an alternative for large-scale retail development.
The proposals comply with the PPS4 Policy EC10 considerations.	We have reservations about the extent of the benefits of regeneration and employment, which do not outweigh the potential harm to Easingwold town centre.
The proposed development will improve consumer choice and competition for food shopping.	Choice and competition would improve but this has to be weighed against the negative impacts of the proposed development in terms of retail impact and the scale of retail development.
The proposals are consistent with the Government's priorities for economic growth.	The benefits of economic development arising from the proposed development have to be balanced against the conflict with national and local planning policy that supports town centres.

TABLE 1: CAPACITY ANALYSIS - CONVENIENCE GOODS

Easingwold catchment area (2010 prices)

Assessment by Marrons	2011	2014	2016
convenience goods expenditure (£m)	26.09	26.87	27.52
benchmark turnover drawn from catchment (£m) [1]	5.86	5.90	5.92
expenditure capacity (£m)	20.23	20.98	21.60
turnover of proposed store from catchment (£m) [2]	14.66	14.75	14.81
residual capacity (£m)	5.57	6.23	6.79

[1] assuming 0.2% annual increase in sales productivity of existing floorspace
[2] assuming 0.2% annual increase in turnover of the proposed store

Assessment by England & Lyle	2011	2014	2016
convenience goods expenditure (£m)	26.09	26.87	27.52
existing survey-based turnover (£m)	8.05		
existing retention level	31%		
future retention level [1]		71%	71%
expenditure retained within catchment (£m)		19.08	19.54
benchmark turnover of existing shops (£m) [2]		5.90	5.92
expenditure capacity (£m)		13.18	13.62
convenience goods turnover of foodstore (£m) [2]		14.75	14.81

[1] based on increased retention assuming the foodstore attracts 70% of its convenience turnover from clawback; this represents an additional 40% of expenditure retained
[2] turnover drawn from within catchment area

TABLE 2: CAPACITY ANALYSIS - COMPARISON GOODS

Easingwold catchment area (2010 prices)

Assessment by Marrons	**2011**	**2014**	**2016**
comparison goods expenditure (£m)	41.88	47.31	51.65
survey-based turnover drawn from catchment (£m) [1]	3.89	3.98	4.03
expenditure capacity (£m)	37.98	43.33	47.62
turnover of proposed store from catchment (£m) [2]	1.48	1.51	1.53
residual capacity (£m)	36.50	41.82	46.09

[1] assuming 0.7% annual increase in sales productivity of existing floorspace
[1] assuming 0.7% annual increase in turnover of the proposed store

Assessment by England & Lyle	**2011**	**2014**	**2016**
comparison goods expenditure (£m)	41.88	47.31	51.65
existing survey-based turnover (£m)	3.89		
existing retention level	9%		
future retention level [1]		12%	12%
expenditure retained within catchment (£m)		5.68	6.20
turnover of existing shops (£m) [2]		3.98	4.03
expenditure capacity (£m)		1.70	2.17
comparison goods turnover of foodstore (£m) [2]		1.51	1.53

[1] based on increased retention assuming the foodstore attracts 85% of its comparison turnover from clawback; this represents an additional 3% of expenditure retained
[2] turnover drawn from within catchment area

TABLE 3: RETAIL IMPACT ASSESSMENT, 2014

CONVENIENCE GOODS

Easingwold catchment area (2010 prices)

Assessment by Marrons		Proposed Foodstore Development		
	total turnover 2014 (£m)	share of total trade draw	trade diversion (£m)	impact (percent)
Catchment Area				
Easingwold town centre	2.58	0%	0.02	0.8%
Co-op, Easingwold	5.59	15%	2.40	42.9%
Easingwold total	8.17	16%	2.42	29.6%
Other shops in catchment	0.22	0%	0.00	0.0%
Catchment total	8.39	16%	2.42	28.8%
Clawback				
Tesco, Clifton Moor, York	65.59	39%	6.00	9.1%
Tesco, Thirsk	28.87	10%	1.50	5.2%
Morrisons, Boroughbridge	23.24	13%	2.00	8.6%
other locations	-	23%	3.60	-
Total clawback	-	84%	13.10	-
Total	-	100%	15.52	-

Assessment by England & Lyle		Proposed Foodstore Development		
	total turnover 2014 (£m)	share of total trade draw	trade diversion (£m)	impact (percent)
Catchment Area				
Easingwold town centre	1.52	4%	0.62	40.8%
Co-op, Easingwold	5.56	20%	3.10	55.8%
Easingwold total	7.08	23%	3.57	50.4%
Other shops in catchment	1.02	1%	0.16	15.2%
Catchment total	8.10	25%	3.88	47.9%
Clawback				
Tesco, Clifton Moor, York	65.59	35%	5.43	8.3%
Tesco, Thirsk	28.87	10%	1.55	5.4%
Morrisons, Boroughbridge	23.24	10%	1.55	6.7%
other locations	-	15%	2.33	-
Total clawback	-	70%	10.86	-
Inflow	-	5%	0.78	-
Total	-	100%	15.52	-

TABLE 4: RETAIL IMPACT ASSESSMENT, 2014
COMPARISON GOODS

Easingwold catchment area (2010 prices)

Assessment by Marrons		Proposed Foodstore Development		
	total turnover 2014 (£m)	share of total trade draw	trade diversion (£m)	impact (percent)
Catchment Area				
Easingwold town centre	3.98	1%	0.02	0.5%
Co-op, Easingwold	0.25	1%	0.02	8.0%
Easingwold total	4.23	3%	0.04	0.9%
Other shops in catchment	0.00	0%	0.00	0.0%
Catchment total	4.23	3%	0.04	0.9%
Clawback				
Tesco, Clifton Moor, York	23.87	45%	0.71	3.0%
Tesco, Thirsk	6.01	11%	0.18	3.0%
Morrisons, Boroughbridge	6.31	15%	0.24	3.8%
other locations	-	26%	0.42	-
Total clawback	-	97%	1.55	-
Total	-	100%	1.59	-

Assessment by England & Lyle		Proposed Foodstore Development		
	total turnover 2014 (£m)	share of total trade draw	trade diversion (£m)	impact (percent)
Catchment Area				
Easingwold town centre	3.98	9%	0.14	3.6%
Co-op, Easingwold	0.25	1%	0.02	6.4%
Easingwold total	4.23	10%	0.16	3.8%
Other shops in catchment	0.00	0%	0.00	0.0%
Catchment total	4.23	10%	0.16	3.8%
Clawback				
Tesco, Clifton Moor, York	23.87	45%	0.72	3.0%
Tesco, Thirsk	6.01	10%	0.16	2.6%
Morrisons, Boroughbridge	6.31	10%	0.16	2.5%
other locations	-	20%	0.32	-
Total clawback	-	85%	1.35	-
Inflow	-	5%	0.08	-
Total	-	100%	1.59	-

TABLE 5: RETAIL IMPACT ASSESSMENT, 2014

CONVENIENCE AND COMPARISON GOODS

Easingwold catchment area (2010 prices)

Assessment by Marrons		Proposed Foodstore Development (total)			
	total	Trade Diversions			
	turnover	convenience	comparison	total	impact
	2014 (£m)	£m	£m	£m	(percent)
Catchment Area					
Easingwold town centre	6.55	0.02	0.02	0.04	0.6%
Co-op, Easingwold	5.84	2.40	0.02	2.42	41.4%
Easingwold total	12.39	2.42	0.04	2.46	19.9%
Other shops in catchment	0.22	0.00	0.00	0.00	0.0%
Catchment total	12.61	2.42	0.04	2.46	19.5%
Clawback					
Tesco, Clifton Moor, York	89.45	6.00	0.71	6.71	7.5%
Tesco, Thirsk	32.68	1.50	0.18	1.68	5.1%
Morrisons, Boroughbridge	29.55	2.00	0.24	2.24	7.6%
other locations	-	3.60	0.42	4.02	-
Total clawback	-	13.10	1.55	14.65	-
Total		15.52	1.59	17.11	-

Assessment by England & Lyle		Proposed Foodstore Development (total)			
	total	Trade Diversions			
	turnover	convenience	comparison	total	impact
	2014 (£m)	£m	£m	£m	(percent)
Catchment Area					
Easingwold town centre	5.50	0.62	0.14	0.76	13.8%
Co-op, Easingwold	5.81	3.10	0.02	3.12	53.7%
Easingwold total	11.31	3.72	0.16	3.88	34.3%
Other shops in catchment	1.02	0.16	0.00	0.16	15.7%
Catchment total	12.33	3.88	0.16	4.04	32.8%
Clawback					
Tesco, Clifton Moor, York	89.45	5.43	0.72	6.15	6.9%
Tesco, Thirsk	32.68	1.55	0.16	1.71	5.2%
Morrisons, Boroughbridge	29.55	1.55	0.16	1.71	5.8%
other locations	-	3.10	0.40	3.50	-
Total clawback	-	11.64	1.43	13.07	-
Inflow	-	0.78	0.08	0.86	-
Total		15.52	1.59	17.11	-