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Thaxted Road Site

Critique of Retail Assessment

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1. Introduction

- 1.1. Savills has been commissioned by Uttlesford District Council to undertake an independent review of planning application reference UTT/13/0268/FUL for retail development at Thaxted Road, Saffron Walden.
- 1.2. Planning application reference UTT/13/0268/FUL has been submitted by Rapleys on behalf of Granite Property Developments Saffron Walden Ltd for the redevelopment of the Thaxted Road site, Saffron Walden. The proposed development is for 3 retail warehouse units with an outdoor garden centre with a total gross external area (GEA) of 3,531 sq m, a 1,578 sq m (GEA) discount foodstore, and a 190 sq m (GEA) café (Class A3), all arranged on a single level, with the exception of a mezzanine of 186 sq m for staff use in the largest retail warehouse unit.
- 1.3. The application has been accompanied by a Retail Assessment, produced by Rapleys.
- 1.4. This report provides an independent review of the Retail Assessment, in the context of the relevant retail policy issues. It does not address other planning considerations such as transport/highways implications resulting from the proposed development.
- 1.5. The report sets out our analysis of the Retail Assessment and comprises a review of:
 - The planning history of the site;
 - The proposed development;
 - The planning policy position, in particular the Council's Retail Study;
 - The data sources used;
 - The methodology and key assumptions;
 - The assessment of need;
 - The validity of the interpretation of the retail capacity and impact assessment results; and
 - The application of the sequential approach to site selection.

2. Planning History

- 2.1. The following planning history is considered to be relevant and is a material consideration in the determination of this planning application.

Extant Planning Permission

- 2.2. Outline planning permission (reference UTT/2208/10/REN) was granted in December 2007 for a mixed use development comprising Class A1 retail warehousing, Class B1 offices, and other Class B industrial, storage, distribution and trade uses. The retail element permitted under the consent is 3,058 sq m GEA. The permission was subsequently renewed in February 2012 and remains extant. The following conditions attached to the renewal permission are of relevance:

Condition 10

“The development hereby permitted relates to the provision of the following areas of floor space. The creation of any additional floorspace (including by the provision of mezzanine floors) within the building shall not be undertaken without the prior written permission of the local planning authority. Retail unit 1 1046 sq m; Divisible retail units 2012 sq m; Unit B1 990 sq m; Unit B2 345 sq m; Unit B3 410 sq m; Unit B4 345 sq m; Unit B5 670 sq m and 390 sq m mezzanine floor; Unit C1 197 sq m and 51 sq m mezzanine floor; Unit C2 197 sq m and 51 sq m mezzanine floor; Unit C3 197 sq m and 51 sq m mezzanine floor; Unit C4 106 sq m and 30sqm mezzanine floor; Unit C5 99sqm and 30 sq m mezzanine floor; Unit C6 99sqm and 30 sq m mezzanine floor; Unit C7 99sqm and 30 sq m mezzanine floor; Unit C8 99sqm and 30 sq m mezzanine floor; Unit C9 99sqm and 30 sq m mezzanine floor; Unit C10 99sqm and 30 sq m mezzanine floor Office building 1128 sq m.”

Condition 11

“The premises hereby permitted shall be used for the stated purpose and for no other purpose (including any other purpose within Classes A1/B1/B2/B8 (as appropriate) of the Schedule of the Town and Country Planning (Use Classes Order) 1987, or in any provision equivalent to that Class in any statutory instrument revoking and re-enacting that Order with or without modification). Retail Unit 1 and Divisible Retail Units A1 limited to the sale of DIY goods, furniture, floor coverings, leisure and garden products, motor accessories, electrical, homewares and other non-food bulky goods but not including fashion wear items or fashion foot wear. Units B1-B5 shall be limited to Class B1 Business/Class B2 General Industrial or Class B8 Storage and Distribution. Units C1-C10 shall be limited to Class B1 Business/Class B2 General Industrial.”

Condition 12

“The permission hereby granted shall not relate to any retail or trade counter sales from Units B1-B5 or C1-C10.”

Appeal Decisions

- 2.3. Two appeals were submitted by Sainsbury's Supermarkets Limited for a foodstore at the Thaxted Road site, Saffron Walden.
- 2.4. The first planning application (application reference number UTT/1451/09/FUL) was submitted in November 2009 for a 6,322 sq m (gross) foodstore with associated car parking, servicing, and landscaping. It was refused planning permission on 20 December 2010. The reason for refusal of planning permission was:
- “The proposal would have a significant adverse impact on the turnover of the main town centre anchor Waitrose store. This loss of retail turnover is likely to result in Waitrose abandoning plans to commit to expansion plans for its town centre foodstore. This, together with the loss of footfall to the town centre associated with linked trips would result in a significant adverse impact on the town centre affecting the vitality and viability of the centre. As a direct result of this significant adverse impact this would be likely to result in an impact on the range and quality of the comparison and convenience offer in the town centre. This would be contrary to national policy set out in PPS4.”*
- 2.5. On 8 June 2011 Sainsbury's appealed against the Council's refusal of planning permission (appeal reference number APP/C1570/A/11/2152457).
- 2.6. The second planning application was submitted in April 2011 for a 5,739 sq m (gross) foodstore with associated car parking, servicing, and landscaping (application reference number UTT/0787/11/FUL). Sainsbury's appealed this planning application on the grounds of non-determination on 11th August 2011 (appeal reference number APP/C1570/A/11/2158685).
- 2.7. The Council considered the second appeal application at a planning committee on 19 October 2011. It resolved that had Sainsbury's not appealed the planning application it would have been refused for the same reason as the first appeal application (as stated above).
- 2.8. It was agreed by the Planning Inspectorate and all parties involved that there would be a co-joined inquiry in respect of both appeals, and this took place in February 2012.
- 2.9. A decision dismissing both appeals, and therefore refusing planning permission, was issued by the Inspector on 17 May 2012. Whilst the proposed development is different to the appeal proposals and the Inspector recognised that there were benefits resulting from the appeal proposals, the Inspector did consider that:

“... the appeal proposals would not result in a sustainable form of development resulting in sustainable economic growth. The impact on the convenience turnover of the town centre and the probable loss of an investment opportunity are matters of overriding importance. In the face of such significant adverse impacts, Paragraph 27 of the Framework says that such proposals should be refused.”

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3. Proposed Development

3.1. The Retail Assessment produced by Rapleys outlines the proposed development in Section 2 of the Assessment. As stated in Section 1 of this report, this includes 3 retail warehouse units with an outdoor garden centre with a total gross external area (GEA) of 3,531 sq m, a 1,578 sq m (GEA) discount foodstore, and a 190 sq m (GEA) café (Class A2), all arranged on a single level, with the exception of a mezzanine of 186 sq m for staff use in the largest retail warehouse unit. A full breakdown of the proposed floorspace is outlined below.

- Retail Warehouse Unit 1 – 517 sq m GEA (net sales area 439sq.m);
- Retail Warehouse Unit 2 – 2,020 sq m, with an outdoor garden centre extending to 1,114 sq m including a garden centre lobby of 108 sq m GEA and staff mezzanine of 186sq.m including (1,809sq.m net sales area);
- Retail Warehouse Unit 3 – 700 sq m GEA (595sq.m net sales area);
- Discount foodstore – 1,578 sq m GEA (1,125 sq m net sales area), and
- Café (Class A3) – 190 sq m GEA with an external seating area.

Retail Warehousing

3.2. For the purposes of the Retail Assessment, Rapleys have assumed a net/gross floorspace ratio of 85/15 for retail warehousing, giving a net sales area of 2,842 sq m (including the garden centre lobby but excluding the staff mezzanine area). Given the net/gross floorspace ratio of 80/20 adopted in the extant outline permission and a consideration of similar proposals, we consider the net/gross floorspace ratio of 85/15 adopted in this Retail Assessment to be appropriate.

3.3. The extant planning permission allows for the following range of goods to be sold: DIY goods, furniture, floor coverings, leisure and garden products, motor accessories, electrical, homewares and other non-food bulky goods excluding fashion wear items or fashion footwear. This proposal seeks to widen the range of goods to include pets, pet food, pet-related products including ancillary in-store veterinary surgeries and animal grooming.

3.4. The applicant proposes the following wording for a Condition relating to comparison goods to be attached to any planning permission:

“Class A1 sale of goods for the retail warehouse units hereby permitted shall be limited to: DIY goods including a garden centre, furniture, floor coverings, leisure and garden products, motor accessories, electrical, homewares, pets/pet related products and ancillary veterinary surgeries and animal

grooming, and other non-food bulky goods but not including fashion wear items of fashion footwear.”

- 3.5. Whilst an analysis of the proposed development is provided later in this report the exact wording of a condition controlling the goods sold will need to be agreed with the Council in light of this.

Discount Foodstore (Aldi)

- 3.6. Rapleys state that the proposed operator for the discount foodstore, Aldi, has confirmed that the net sales area for the proposed store is 1,125 sq m, of which approximately 1,012 sq m will be for the sale of convenience goods with a ‘nominal’ amount of floorspace for comparison goods sales. We have calculated this to be approximately 113 sq m. Given this is based on the operators normal retail format, we consider this to be appropriate, but we recommend a condition be attached to any planning permission restricting the floorspace for the discount foodstore and retail warehousing to that stated in the Retail Assessment.

4. Planning Policy Context

- 4.1. The relevant national and local retail planning policies and guidance are considered below.

National Planning Policy Framework

- 4.2. The NPPF was published in March 2012. It states that an impact assessment is required for retail development over either a locally set floorspace threshold or alternatively a default threshold of 2,500 sq m outside of town centres which are not in accordance with an up to date Local Plan (Paragraph 26).
- 4.3. Such impact assessments should assess the impact on existing committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and town centre vitality and viability, including local consumer choice and trade in the town centre and wider area (Paragraph 26).
- 4.4. A sequential assessment is required for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan.
- 4.5. There is no locally set threshold for an impact assessment, therefore, the default threshold of 2,500 sq m stated in the NPPF applies. We consider that as the proposed development is in excess of 2,500 sq m and is located outside of an existing centre, an impact and sequential assessment is required. These are considered later in this report.

Uttlesford Local Plan 2005 'Saved Policies'

- 4.6. The Uttlesford District Council Local Plan was adopted in January 2005. A number of policies have been saved under the direction of the Secretary of State, as they would otherwise have expired on 27 September 2007.
- 4.7. Rapleys state that the 2005 Local Plan does not contain any relevant policies in relation to retail development other than to define the primary shopping area of Saffron Walden. However, the saved policies of the 2005 Local Plan set a framework for the two main centres of Saffron Walden and Great Dunmow and also the smaller centres of Stansted Mountfitchet, and Thaxted.
- 4.8. Policy RS1 of the 2005 Local Plan requires all new retail development to be accessible to all, to ensure social inclusion. Policy RS2 of the 2005 Local Plan allows for retail, commercial and other developments in the centres of Saffron Walden, Great Dunmow, Stansted Mountfitchet, and Thaxted subject to a number of criteria including the following:
- It maintains or enhances their role as retail and service centres;

- It does not harm their historic and architectural character;
- It contributes to the diversity of retail and other commercial activity.

4.9. Further specific policies apply to each of the centres, which, in respect of Saffron Walden, is outlined below.

Saffron Walden

4.10. The 2005 Local Plan states (at paragraph 15.3) that Saffron Walden is the most important shopping centre in the district. It is defined as a principal shopping centre, and the objectives of 2005 Local Plan (paragraph 8.1) in respect of retailing and services are, among other things, to sustain and enhance its viability and to focus retail and mixed use commercial developments in locations that maximise the opportunities to use means of transport other than the private car.

4.11. A report 'Uttlesford Local Plan 2005 – National Planning Policy Framework Compatibility Assessment' produced by Ann Skippers Planning dated September 2012, demonstrates that Policies RS1 and RS2 are consistent with the NPPF. Therefore, we consider these policies to remain relevant and for the proposed development to be acceptable it should be tested against and be consistent with these policies.

The New Uttlesford Local Plan

4.12. The first draft of 'The New Uttlesford Local Plan' was published for consultation in June 2012. However, we understand that the timescales for the publication of the pre-submission consultation document are not known at this stage due to certain issues, particularly highways, that need to be resolved.

4.13. In advance of the Plan being tested at Examination, found sound and adopted, weight can be given to the emerging policies which are based on the Council's latest Retail Study (reviewed later in this report).

4.14. Policy SP4 of The New Local Plan seeks appropriate proposals for new retail development to meet the identified need of 790 sq m net of convenience floorspace, 4,500 sq m net of retail warehousing, and 10,200 sq m net of comparison floorspace by 2028. Furthermore, proposals for out of centre retailing and other town centre facilities (which this application proposal fall within) will be considered in relation to the sequential approach and subject to an impact assessment if necessary.

4.15. It is noted that Paragraph 11.10 recognises that the retail warehousing requirement of 4,500 sq m by 2028 could be met on the Thaxted Road site, which already has a planning permission for retail warehouse development.

4.16. The application site falls within 'Saffron Walden Policy 1' of The New Local Plan, which allocates land to the east of Saffron Walden for residential and employment

development. The policy includes 6 hectares of employment land comprising 4,500 sq m of retail warehousing. 'Saffron Walden Policy 1' also includes the provision of a local centre to provide a community centre, improved Doctors surgery, and 790 sq m net of convenience goods floorspace.

- 4.17. Since the publication of 'The New Local Plan', the Council have published a Position Statement (March 2013) setting out the latest position with the Plan and the possible changes following the consultation on the first draft. The Position Statement states that the area of land allocated under 'Saffron Walden Policy 1' could be reduced from 79 to 40 hectares, broken down into two policy allocations with the land to the north of Thaxted Road (the application site) becoming a separate allocation for employment and retail warehousing, removing reference to secondary school and doctors surgery, however, the convenience goods floorspace allocation will remain.
- 4.18. We consider that the proposed development should also be assessed against and accord with these emerging policies.

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5. Review of the Uttlesford Retail Capacity Study

Overview

- 5.1. The Uttlesford Retail Capacity Study was prepared by Savills on behalf of the District Council in January 2012 and forms part of the evidence base for the emerging Local Plan, which is currently being prepared by the Council.
- 5.2. The Retail Study was prepared in the context of PPS4 (now replaced by the NPPF), however, we consider it remains valid and relevant to the assessment of retail development in the District.
- 5.3. The Retail Study states that the principal shopping centre in the District is Saffron Walden, which policy seeks to sustain and enhance (as described previously in Section 4 of this report). Both the health check and the household survey indicate that Saffron Walden is performing a main food shopping role as well as attracting comparison goods expenditure.
- 5.4. The Retail Study states that there is leakage of consumer spending, especially in comparison goods including bulky goods, to competing higher order centres and retail warehouse parks, such as those in Cambridge, Bishop Stortford, Haverhill, and Braintree.
- 5.5. The Retail Study indicates that retail warehouse provision within the District is limited, being provided mainly by two DIY stores (Homebase and Ridgesons) in Saffron Walden.
- 5.6. The convenience goods shopping provision in Saffron Walden is dominated by Waitrose, which benefits from an extant planning permission to extend the store by 431 sq m net, and the Tesco store at Radwinter Road, which also benefits from an extant planning permission to extend the store by 1,274 sq m net. The Retail Study also indicates a lack of a discount foodstore in the District.

Quantitative and Qualitative need up to the Plan period of 2028

- 5.7. In terms of convenience goods, assuming the current retention rate of 72% in Zone 1 and allowing for the growth of the turnovers of the existing/committed foodstore floorspace, the Retail Study identifies that there is a negative capacity of additional main foodstore floorspace in 2016 and 2021. On the same basis, in 2028 a need for 75 sq m net floorspace for a main foodstore operator or 126 sq m net floorspace for a discount foodstore operator arises.
- 5.8. The Retail Study also tests and increased retention rate of 80% and found that there would still be no capacity for additional convenience floorspace in 2016. However, in this scenario, this would increase to 263 - 446 sq m by 2021 rising to 467 – 790 sq m

by 2028 for a main foodstore operator and a discount retailer respectively, with the extension commitments at Waitrose and Tesco extensions being taken into account.

- 5.9. In addition, the Retail Study identifies the amount of additional top-up convenience floorspace in Zone 1 as 83 sq m in 2016, rising to 138 sq m in 2021, and 230 sq m in 2028.
- 5.10. Thus, a total requirement for 1,020 sq m by 2026 is identified, which is based on increased retention for the town of 80%. If a new facility increases the town's attractiveness to convenience goods shoppers sufficiently, that penetration rate could be raised above that assumption.
- 5.11. As for comparison goods, based on constant retention rate scenario, Saffron Walden has a floorspace requirements of 122 sq m net in 2016, rising to 2,399 sq m in 2021, and 6,946 sq m net in 2028, whilst taking account of commitments at the Tesco and Waitrose extensions and the Emson Close scheme, but excluding the consented retail warehousing scheme at the Thaxted Road application site as the consented scheme could not be implemented as well as the proposed development.
- 5.12. Based on the increased retention rate scenario of 80%, the Retail Study identifies capacity for additional comparison floorspace of 122 sq m net at 2016, 3,629 sq m net in 2021, and 10,200 sq m in 2028, after the deduction of the commitments.
- 5.13. In addition to comparison goods floorspace requirements, capacity for additional retail warehouse floorspace is identified in the Retail Study as 2,317 sq m net in 2016, rising to 2,904 sq m net in 2021, and 4,062 sq m in 2028.
- 5.14. Based on allowing for possible requirements from traders such as toy, pet, motor accessories and mail order retail warehouse operators, the Retail study considers that the Council policy should plan for some 4,500 sq m of retail floorspace in Saffron Walden by 2028.

Development Sites to Accommodate the Identified Need

- 5.15. Whilst there is some capacity for additional convenience and comparison goods floorspace over the plan period to 2028, it is accepted that there are currently limited development opportunities that are available, suitable and viable to meet these requirements in Saffron Walden.
- 5.16. In terms of retail warehouse provision, the Retail Study concludes that there is no prospect of meeting the site requirements within Saffron Walden. However, it does suggest that the Thaxted Road site is well located to accommodate some of the requirement.
- 5.17. The Retail Study states that retail warehouse development at Thaxted Road anticipates a diversion of sales from various retail parks and standalone facilities from outside the District. The Retail Study also advises that the impact is likely to be

diffuse and very limited in relation to particular facilities. The change in shopping patterns anticipated by the development would see customers being drawn back into the area with a consequent reduction in the length of shopping trips.

- 5.18. The assessment of the Thaxted Road site in the Retail Study suggests that whilst it lies in an out-of-centre location, there are no sites within or close to Saffron Walden town centre capable of accommodating the retail warehouse requirement, and that a scheme comprising a retail warehouse park and a discount store would be viable.

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6. Methodology and Data Sources

Introduction

- 6.1. The Retail Assessment submitted by Rapleys in support of the planning application assesses the retail impact of the proposal. Rapleys seek to assess whether the proposals will have an adverse impact on designated centres. We review below the base data and assumptions adopted by Rapleys.
- 6.2. The NPPF (published in March 2012) indicates that applicants are not required to demonstrate need. Nevertheless, expenditure capacity will be relevant in terms of the assessment of impact i.e. the positive and negative impacts and the ability of sequential sites to meet identified need. The implications of our comments in respect of each are addressed in the remaining sections of this report.
- 6.3. Rapleys state that it has been agreed with the Council that it is appropriate to adopt the approach and findings of the Retail Study as it is considered up to date and forms part of the evidence base for the emerging Local Plan. Whilst we do not disagree with this in principle, the Council have advised that this was not agreed during the pre-application discussions.

Price and Design Year

- 6.4. Rapleys have adopted a price base of 2009 as adopted by the Retail Study, which we consider appropriate. The assessment adopts a design year of 2018. It is noted that Rapleys state that this was agreed with the Council, but the Council have advised that this was not the case. However, allowing approximately two years for site clearance and construction and approximately two years to achieve settled trading patterns following any planning permission, this is considered to be an appropriate design year to adopt.

Catchment Area

- 6.5. For the purposes of the Retail Assessment, Rapleys have adopted a catchment area based on the study area of the Retail Study. The study area in the Retail Study defines four zones within and on the edge of the District. The Retail Assessment has defined a different catchment area for retail warehousing and the discount foodstore, which we consider to be appropriate.
- 6.6. For retail warehousing, a catchment area based on Zones 1, 2, 3, and 4 of the study area for the Retail Study has been adopted. The Retail Study assumed that 80% from Zone 1 and 4 and 50% of spending from Zone 2 would be drawn to comparison retail facilities in Saffron Walden. The Retail Study assumed that only 10% of spending from Zone 3 would be drawn to retail warehousing facilities in Saffron Walden. However, its inclusion is considered appropriate, as it would appear that an

allowance for inflow of expenditure from outside the catchment area has not been factored into the assessment.

- 6.7. For the discount foodstore, a catchment area based on Zones 1 and 4 of the study area for the Retail Study has been adopted. This considered appropriate in the context of the nature of the proposed foodstore and that of the Retail Study found that there is a relatively high food shopping retention rate in Zone 1. Furthermore, an allowance for an inflow of trade from outside the catchment area has been factored into the assessment. The appropriateness of this is considered later in this report.

Turnover of Existing Facilities

- 6.8. Rapleys' Tables 2 and 3 provide the actual turnover levels of facilities from the Savills Retail Study. However, Rapleys do not provide an estimate of the benchmark turnover of existing convenience or comparison goods facilities and do not therefore identify whether stores/facilities in the catchment area are trading above or below company average.
- 6.9. Rapleys state that the estimated actual turnover of the existing comparison goods facilities at 2018 are taken from the Savills Retail Study 2012 and converted from 2021 figures by applying a pro rata increase from 2012. It is not entirely clear how Rapleys have calculated these figures, and it would be beneficial if Rapleys could provide an explanation.
- 6.10. Rapleys also state that the estimated actual turnover of the existing convenience goods facilities at 2018 are taken from the Savills Retail Study 2012 table 6b and converted from 2011 taking account of 0.4% pa floorspace efficiency increase, Haverhill Tesco diversion and inflow, and the commitments of the Tesco and Waitrose extensions. Again, whilst the adopted figures seem plausible, it would be beneficial if Rapleys could provide an explanation of their calculation.

Turnover of Proposed Development

- 6.11. The proposed retail warehousing has a gross floorspace of 3,531 sq m GEA and 3,345 when excluding the staff mezzanine. We consider that this assumption is acceptable, but we suggest that a condition is included on an planning permission restricting the use of the mezzanine to staff facilities. The net sales area of the retail warehousing is 2,843 sq m. The net to gross ratio is approximately 85%.
- 6.12. Rapleys state that the average turnover for the proposed retail warehousing of £3,582 per sq m has been derived from the Retail Study, which we consider appropriate. This gives an estimated turnover for retail warehousing of £10.18m.
- 6.13. The proposed discount foodstore has a gross floorspace of 1,578 sq m and a net floorspace of 1,125 sq m, which we understand has been confirmed by the proposed foodstore operator, Aldi. Rapleys state that the convenience goods floorspace will be 1,012 sq m net, which means the comparison goods floorspace will be 113 sq m net.

Rapleys' impact assessment tests these floorspace figures, therefore it is appropriate to condition any planning permission accordingly.

- 6.14. It should be noted that whilst nominal, Rapleys have not assessed the impact of the comparison floorspace of the proposed discount foodstore. For robustness, we consider that this should be undertaken. This is considered later in this report.
- 6.15. Rapleys state that the average turnover of the proposed discount foodstore of £4,500 per sq m has been obtained from the proposed operator, Aldi. We consider that as Rapleys have assessed the proposed foodstore based on Aldi as the known operator, the Council should condition the any planning permission accordingly to restrict the use of the foodstore to a discount foodstore operator. Notwithstanding, we consider that the average turnover of the proposed discount foodstore present by Aldi too low. The figure in the Retail Study at 2018 is £7,713 per sq m, which is significantly above the figure put forward by Aldi.
- 6.16. Based on the adopted of £4,500 per sq m, the convenience turnover of the proposed discount foodstore at 2018 is £4.55m. Based on £7,713 per sq m as detailed in the Retail Study, the convenience turnover would be £7.81m. Based on these figures, we consider that Rapleys have underestimated the turnover of the proposed store by £3.26m. We therefore consider that Rapleys review its impact assessment based on this higher turnover figure. This is considered later in this report, including sensitivity testing.
- 6.17. Whilst we consider it is not necessary to assess the impact of the proposed café, we consider that a condition should be included on any planning permission restricting the use of the building to Use Class A3.

7. Sequential Approach

Policy Considerations

- 7.1. The NPPF requires a sequential test to be undertaken for main town centre uses that are not in an existing centre and not in accordance with an up to date Local Plan. The proposed development is a main town centre use and the application site is located outside of an existing centre (the nearest being Saffron Walden town centre). A sequential assessment is therefore required.
- 7.2. Rapleys have prepared a sequential assessment, which is reviewed below.

Sequential Assessment

- 7.3. As noted by Rapleys, the application site is identified in the Retail Study as being well located to accommodate the retail warehouse requirement for Saffron Walden of approximately 4,500 sq m up to 2028, with the principle being established by the extant planning permission. The Retail Study also identifies the application site as a viable site to accommodate the convenience goods floorspace requirement up to 2028 of 790 sq m net in the form of a discount foodstore.
- 7.4. If the Council is satisfied that the applicants have demonstrated that the proposals will not have an adverse effect on existing centres (discussed later in this report), then the suitability, viability, and availability of sites within existing centres must be considered in accordance with the sequential approach.
- 7.5. The checklist for adopting the sequential approach is set out at Paragraph 6.52 of the Practice guidance on need, impact and the sequential approach, which remains extant at the time of writing. The points to consider are defined as follows:
1. What is the scale and form of development needed?
 2. Is the need 'location specific' or even 'site specific', or more generalised?
 3. Are the PSA and wider town centre properly defined in the development plan?
 4. How should the site/proposal in question be defined? Is it 'in centre', 'edge of centre' or 'out of centre'?
 5. Have all more central opportunities been considered/identified?
 6. Have they all been thoroughly tested, having regard to their suitability, viability and availability having regard to the identified need/demand and the timescale over which it arises?
 7. Has this assessment adopted a sufficiently flexible approach?

8. Has the potential to overcome any obstacle to availability of more central sites been discussed with the LPA?

Scale, Need and Flexibility

- 7.6. Points 1 and 7 from the Practice Guidance are linked. The proposal seeks to provide a new retail warehousing and a new discount foodstore to improve the retail warehousing and convenience offer in the study area, as well as a small amount of comparison goods within the convenience store. It is necessary to consider whether the scale of the proposed development is the only way to deliver the retail units that the proposal seeks to provide, and the need identified in the Retail Study.
- 7.7. It should be noted that the applicant is not required to demonstrate its proposal is needed, but the Practice Guidance suggests an applicant must demonstrate that the proposal cannot be provided in sequentially preferable locations, allowing for flexibility and the scope for disaggregation. The Practice Guidance suggests applicants must be flexible in terms of the scale of development proposed and the amount of car parking.
- 7.8. Point 7 of the Practice Guidance indicates the applicant must clearly demonstrate flexibility and the potential for disaggregation. It is necessary to consider what need the proposal (and the proposed business model) will meet, and the applicant must explain why this need cannot be met within existing centres, after flexibility and the scope for disaggregation of the goods sold have been demonstrated.
- 7.9. The proposed development may accommodate a specific occupier's preferred format, in this case retail warehousing totalling 3,531 sq m gross (2,842 sq m net) and a discount foodstore totalling 1,578 sq m gross (1,125 sq m net) with the named operator as Aldi.
- 7.10. We consider that the principle of retail warehousing development on the site has been established by the extant permission granted in December 2007, which was subsequently renewed in February 2012.
- 7.11. In terms of the discount foodstore, Rapleys have indicated that the proposed development is a purpose-built modern floorspace designed to meet the requirements of national multiple retailers, which are required to enhance the centre's retail offer. Rapleys state that Aldi's typical site requirement is a minimum of 0.48 hectares which could accommodate a store of approximately 1,393 sq m and adjacent car parking for customers undertaking bulk shopping. Rapleys consider that the proposed scheme meets Aldi's operational and site requirements. However, it should be noted that the proposed development is 185 sq m larger than Aldi's standard requirement as reported by Rapleys.
- 7.12. Even if the proposed development does not raise retail impact concerns, the scope to reduce the size of store proposed still needs to be considered in relation to the sequential approach. Rapleys have not sought to assess sites that could

accommodate a smaller foodstore, therefore do not consider that Rapleys have adequately demonstrated flexibility in their sequential assessment.

- 7.13. In terms of Point 2 above, the need identified in the Retail Study is not site specific, because other sites in the study area could potentially meet the identified need. Rapleys have focused their assessment on sites in and on the edge of Saffron Walden town centre.

The Site's Location and Town Centre Designations

- 7.14. The NPPF indicates that proposals for retail development on sites outside existing centres will only be permitted if the sequential approach to site selection has been undertaken. It states that a failure to demonstrate that a sequential approach has been applied will justify the refusal of planning permission.
- 7.15. The Practice Guide states that adopting a sequential approach to selecting sites means wherever possible seeking to focus new development within, or failing that on well located sites on the edge of existing defined centres. Only if town centre or edge of centre sites are not available will out of centre locations be likely to be appropriate in policy terms, provided that they are well served by alternative means of transport, and are acceptable in all other respects including impact.

Site Availability

- 7.16. The Practice Guidance indicates that all the alternative sites must be tested having regard to the identified need and timescale within which it arises (Point 6). All sites that have potential to be available with a reasonable period of time should be considered. The applicant should also explore the potential to overcome any obstacle to availability of more central sites with the LPA (Point 8).

Retail Capacity and Need

- 7.17. The need the development seeks to serve is inextricably linked to the sequential approach as indicated in the Practice Guidance. Rapleys have based their assessment on the Retail Study, which assesses the retail capacity and need for additional floorspace. We consider that this is appropriate and up to date.

Analysis of Alternative Sites

Vacant Units

- 7.18. Rapleys state that they undertook a review of Saffron Walden town centre and did not identify any vacant or available units that could accommodate the proposed development. Rapleys have not estimated the total amount of vacant floorspace in the study area within all vacant units. While there are no vacant units that could accommodate the proposed development, these units could meet some of the need for additional retail floorspace in the study area. However, it is considered unlikely

that the vacant shop units in the study area would be capable of accommodating the future convenience retail needs.

- 7.19. Disaggregating the comparison goods floorspace into a smaller unit would also not have the choice and offer that a foodstore can provide, and it is considered that the proposed retail warehousing is not an appropriate use for the town centre assuming it is restricted to bulky goods as proposed.
- 7.20. It is therefore necessary to consider the scope for development sites in the identified centres to accommodate the floorspace requirements.

Alternative Sites

- 7.21. Rapleys state that it was agreed in a pre-application scoping that the sequential approach should be applied to the following development or opportunity sites in Saffron Walden:
1. The Fire Station and Laundry Site, Hill Street;
 2. Emson Close; and
 3. Fairycroft Road Car Park.
- 7.22. Whilst the Council confirm that they have not agreed to this, we consider that based on the Retail Study and our knowledge of sites in Saffron Walden, the above sites are appropriate and there are currently no additional sites to assess.

8. Retail Impact Assessment

Introduction

- 8.1. The NPPF states that an impact assessment is required for retail development, over either a locally set floorspace threshold or alternatively a default threshold of 2,500 sq m, outside of town centres which are not in accordance with an up to date Local Plan (Paragraph 26).
- 8.2. There is no locally set threshold for an impact assessment, therefore, the default threshold of 2,500 sq m outlined in the NPPF applies. We consider that as the proposed development is in excess of 2,500 sq m and is located outside of an existing centre, an impact assessment is required.
- 8.3. Such impact assessments should assess the impact on existing committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and town centre vitality and viability, including local consumer choice and trade in the town centre and wider area (Paragraph 26).
- 8.4. We have assessed the methodology and data adopted in Rapleys' Retail Assessment in Section 6 of this report. We therefore review Rapleys assessment of trade diversion and impact for convenience and comparison goods below whilst taking into account our previous concerns outlined in Section 6.

Trade Diversion and Impact

Retail Warehousing

- 8.5. Rapleys estimate the distribution of trade diversion from existing individual stores, centres, and retail parks to the proposed retail warehousing in their Table 2. The patterns of trade diversion appear reasonable, based on the household survey results in the Retail Study as well as the accessibility of the zone from the application site, the relative distribution of population between the zones, and the distribution of competing facilities and the extent to which they will compete directly with the proposed development.
- 8.6. It is stated by Rapleys that facilities in Saffron Walden town centre, which predominantly offer non-bulky comparison goods, are unlikely to compete directly with the proposed retail warehousing. We agree with Rapleys assessment of the differential in trade characteristics and consider that it is unlikely that the existing facilities in Saffron Walden town centre will be significantly affected by the proposed retail warehousing.
- 8.7. Based on Rapleys adopted turnover of existing facilities and the proposed development, and their trade diversion assumptions, they estimate the impact on

Saffron Walden town centre to be 2.1%. We consider that this level of impact would not have a significant adverse impact on Saffron Walden town centre in terms of investment and on the town centres viability and viability.

- 8.8. However, in out-of-centre locations, there are facilities which are comparable to the proposed retail warehousing. In particular, Ridgeons and Homebase in Saffron Walden as well as other out-of-centre stores both in and outside the catchment area.
- 8.9. Based on Rapleys adopted turnover of existing facilities and the proposed development, and their trade diversion assumptions, they estimate that the highest level of impact is predicted to be on the retail warehouse parks outside of the District. The impact on existing out-of-centre retail warehouse facilities within the catchment area is estimated to be between 2% and 31%. Most notably the impact on Ridgeons and Homebase in Saffron Walden is predicted to be 31% and 24% respectively. We consider impact on these facilities could be more significant than Rapleys estimate, but as Rapleys have correctly noted, these retail units are not protected by policy.

Convenience Goods

- 8.10. Rapleys estimate the distribution of convenience trade diversion from existing stores in their Table 3. The patterns of trade diversion appear to overestimate the amount of trade diverted from out-of-centre stores, in particular the Tesco on Radwinter Road. The amount of trade going to the proposed development from Saffron Walden town centre (Waitrose) is in turn likely to be underestimated and thus the impact on the Waitrose store is also underestimated.
- 8.11. Whilst we accept that the proposed Aldi store is modest in size in comparison to the existing Waitrose and Tesco stores in Saffron Walden, which are around 35% and 60% larger in net sales area and Aldi's trading style and sector differs from those stores, there are no existing discount food shopping facilities in Saffron Walden. Therefore, the proposed development could attract more significant amounts of trade from these existing facilities than might normally be the case.
- 8.12. The existing discount shopping needs of the catchment population are likely to be currently met by stores outside the catchment, particularly at Aldi's Haverhill store, or by frustrated shoppers in the Waitrose and Tesco stores in Saffron Walden, as both main and top-up food shopping in Saffron Walden are mainly undertaken in the Waitrose and Tesco stores.
- 8.13. Rapleys state that in terms of likely effect, it is unlikely that those frustrated shoppers are attracted by Waitrose, and it is more likely that the frustrated discount spending is taking place at the existing Tesco. Thus the majority of trade diversion will fall on the Tesco store and facilities outside the district, principally other value and discount retailers. Whilst we agree with this assumption in principle, we consider that the trade diversion from Waitrose is likely to have been underestimated by Rapleys, but not so as to increase the impact on Waitrose to a significantly adverse level.

- 8.14. In Rapleys assessment, the highest percentage impacts are predicted on the other local shops outside of Saffron Walden town centre and the Tesco store on Radwinter Road, with have predicted impacts of 10.8% and 9.3% respectively. The predicted impact on the town centre convenience goods facilities is estimated to be 3%. We consider that the predicted level of potential impact on Saffron Walden town centre as calculated by Rapleys is not considered significant. The impact on the out-of-centre stores is of concern, but these do not have policy protection and is likely to be offset by expenditure growth and increased retention.

Sensitivity Testing

- 8.15. While we consider that Rapleys have underestimated the trade draw from Saffron Walden town centre, we have undertaken sensitivity testing and we consider that with 30% or £1.1m of the discount foodstores trade being drawn from Saffron Walden town centre with an impact level of 4.2%, the proposed development would not have a significant adverse impact on the town centre assuming the remainder of Rapleys assumptions are correct.
- 8.16. Furthermore, we raised concerns in Section 6 that Rapleys/Aldi have underestimated the average turnover of the proposed discount foodstore. Based on the average turnover for a discount foodstore of £7,713 sq m as identified in the Retail Study, the store would have a turnover of £7.81m and the impact level on Saffron Walden town centre would rise to 5.1% assuming Rapleys trade diversion is correct. With an increase trade diversion from Waitrose to 30% of the proposed stores turnover, this would lead to an increase in the impact on Saffron Walden town centre to 7.7%. We consider that this remains acceptable, albeit on the margins of acceptability.

Cumulative Impact

- 8.17. Rapleys have not provided an assessment of cumulative impact with any other proposals – To Complete

9. Summary and Conclusions

- 9.1. Uttlesford District Council has received a planning application (reference UTT/13/0268/FUL) for the redevelopment of the Thaxted Road site, Saffron Walden. The proposed development is for 3 retail warehouse units with an outdoor garden centre with a total gross external area (GEA) of 3,531 sq m, a 1,578 sq m (GEA) discount foodstore, and a 190 sq m (GEA) café (Class A2), all arranged on a single level, with the exception of a mezzanine of 186 sq m for staff use in the largest retail warehouse unit.
- 9.2. Outline planning permission (reference UTT/2208/10/REN) was granted in December 2007 for a mixed use development comprising Class A1 retail warehousing, Class B1 offices, and other Class B industrial, storage, distribution and trade uses. The retail element permitted under this consent is 3,058 sq m GEA. The permission was subsequently renewed in February 2012 and remains extant.
- 9.3. The Savills Retail Study identifies that there is negative capacity for additional main foodstore floorspace in 2016 and 2021. On the same basis, in 2028 a need for 75 sq m net floorspace for a main foodstore operator or 126 sq m net floorspace for a discount foodstore operator arises. The Retail Study also recognises that if the retention rate was to increase to 80% there would still be no capacity for additional convenience floorspace in 2016. However, this would increase to 263 - 446 sq m by 2021 rising to 467 – 790 sq m by 2028 for a main foodstore operator and a discount retailer respectively, with the extension commitments at Waitrose and Tesco extensions being taken into account.
- 9.4. In addition, the Retail Study identifies the amount of capacity for additional top-up convenience floorspace in Zone 1 as 83 sq m in 2016, rising to 138 sq m in 2021, and 230 sq m in 2028.
- 9.5. Capacity for additional retail warehouse floorspace is identified in the Retail Study as 2,317 sq m net in 2016, rising to 2,904 sq m net in 2021, and 4,062 sq m in 2028. After taking into account potential requirements from toy, pet, motor accessories and mail order retail warehouse operators, the Retail study recommends that the Council should plan for some 4,500 sq m net of retail floorspace by 2028.
- 9.6. The Retail Study identifies the application site as providing an opportunity to meet the identified need for additional retail warehousing and a discount foodstore to enhance the retail provision in Saffron Walden.

The Sequential Approach

- 9.7. We have reviewed Rapleys assessment of alternative sites, and we consider that more flexibility should have been taken into account in their assessment, we

conclude that Rapleys have adequately demonstrated that there are no sequentially preferable sites that could accommodate the proposed development.

Retail Impact

- 9.8. While we consider that Rapleys have underestimated the turnover of the proposed discount foodstore and the trade diversion from the Waitrose store in Saffron Walden town centre, we do not consider that the proposed development will have a significant adverse impact on Saffron Walden town centre based on our sensitivity analysis.
- 9.9. The proposed development is 473 sq m higher than the extant planning permission. In terms of comparison goods impact, we do not consider that Rapleys have fully assessed the likely impact as the comparison floorspace proposed in the discount foodstore has been excluded. However, we do not consider that this materially affect the results, and consider that the proposed retail warehousing will not have a significant adverse impact on Saffron Walden town centre.
- 9.10. The Council should be aware in coming to a decision that if the application is granted planning permission, this would absorb the entire capacity for additional convenience floorspace and the majority of the retail warehousing floorspace in Saffron Walden up to 2028.
- 9.11. The proposed development would also have positive benefits, such as job creation and providing retail facilities that are currently lacking in Saffron Walden, as well as the ability to clawback expenditure that is currently leaking from the catchment area, and these should be weighed against the impacts of the development.
- 9.12. If the Council is minded to grant planning permission, we consider that the proposed development should be conditioned to reflect the proposed gross and net space, the use of the proposed mezzanine for staff facilities only, the convenience and comparison split of the discount foodstore, the bulky goods restriction proposed by the applicant, the use of the foodstore for a discount operator only, and the use of the café for A3 use only. If the applicant requires more flexibility then alternative impact scenarios should be tested, particularly in respect of alternative foodstore operator and turnover scenarios.