

The Purbeck Core Strategy Development Plan Document Examination March 2012

**Matter 7 – Retail (Policies RFS and RP)**

**Introduction/Background**

The Council's policy on retailing had been to resist the development of out-of-town supermarkets, recognising the disastrous impact they would have on town centres. This approach received support from planning Inspectors and is documented in Appendix 1.

Then came a complete and inexplicable U-turn in the approach taken by the Council's planning policy officers. Based on the need set out in draft Regional Spatial Strategy (RSS) to accommodate some 2,100 new dwellings in the period to 2026 the Council set about preparing a new plan. Providing this scale of development in one of the most environmentally sensitive areas of England was clearly going to be a huge challenge and could only be achieved by rolling back the Green Belt. Then the Secretary of State announced even higher levels of development for the District of 5,150 dwellings, of which 2,750 were to be provided just west of Poole as a new urban extension.

A shopping consultant was appointed to advise on the need for additional shopping floor space to meet the needs of this increase in homes proposed in RSS. This time Nathaniel Litchfield and Partners [NLP] were appointed and their first report in 2008 provided the evidence for the draft District Plan. This Study [CD145a] pointed out that the Council must carefully consider whether the benefits of a new supermarket in Wareham would outweigh potential harm to the vitality and viability of the town centre. The Study stated in its conclusions *"In Wareham, the only identified site that could accommodate a larger store is .... out-of-centre ....As such, the Council will need to carefully consider whether the qualitative benefit to residents as a whole and the potential to reduce outflow of convenience expenditure would outweigh any potential for harm on the vitality and viability of the town centre."*

In July 2009 the Council's planning policy officer contacted Sainsbury's and asked the store manager if they would consider moving to an out-of-town site at Wareham, even though they had only just moved into a town centre site and an out-of-town store was against national and local policy. This approach was passed to Sainsbury's property team.

In September 2009 the Council published its draft Core Strategy. This proposed a minimum of 4000m<sup>2</sup> of new retail space and set out a preference for a large supermarket of 2000m<sup>2</sup> at Wareham. Objections were made to this proposal due to the expected adverse impact on the town centre.

In January 2010 the Council then commissioned a further report on retailing. The objective set out in the Brief was to advise on **how** to meet the need for convenience floor space in the District, not **whether** on impact grounds it was desirable to meet the need; attached to these comments is a copy of the Council's Brief for the RIA [Appendix 3]. Interestingly, the consultants concluded that if existing food shopping patterns were to remain the same there was no need for additional food shopping floor space in Wareham, although there was a quantitative need for some additional floor space in Swanage. However they did consider

that there was substantial scope to improve retention in the study area thus reducing the distance travelled by residents undertaking convenience shopping on a regular basis – the “claw back” argument discredited by the Government back in 1998.

The flaws in this argument are fairly clear. Firstly, Wareham is very close to Poole with a full range of very large supermarkets. A new 2000m<sup>2</sup> out-of-town supermarket at Wareham is never going to compete with a Tesco Extra at Tower Park (8865m<sup>2</sup>), or Tesco Extra at Fleetsbridge (at least a similar area now it has its mezzanine floor) or Asda at Poole (10,120m<sup>2</sup>) which are all well under 20 minutes away by car. Secondly, there is brand loyalty amongst food shoppers. Those that prefer Lidl or Waitrose will continue to visit these stores. Thirdly, many Purbeck residents work in Poole and do their food shopping at lunch times or on the way home from work. These objections, inter alia, were expressed by the Wareham Town Trust, PEAT, Wareham Chamber of Trade & others in their joint response (in September 2010) to the 2010 draft RIA, notwithstanding that the joint document setting out all these bodies’ objections does not appear as a Submitted or Core Document in the Council’s Schedule; because it appears the Inspector may not have seen this well researched and detailed list of objections concerning the unsound nature of the RIA we attach it as Appendix 2 to this Statement.

The impact of an out-of-town food store on Wareham town centre would, to use the planning inspector’s words, be “*quite disastrous*”. Nathaniel Litchfield and Partners [NLP] predicted in its September 2010 Retail Impact Assessment **[CD147]** that a quarter of trade would be taken from the town centre Sainsbury’s and that it would close. The effect on other shops in the town centre was such that they recommended that controls be placed on any supermarket to prevent it providing a pharmacy, post office, optician or dry cleaner. How long such controls would last is a matter for conjecture but major food retailers have enormous resources to take on very small district councils like Purbeck.

The Council persisted with its supermarket proposal which was included in a further consultation leaflet “Where shall we build” in June 2010. This document did not provide respondents with a choice of whether or not they wished to see a supermarket but asked them on which site they would like to see a supermarket. It also incorrectly stated the views of the Wareham Town Council which did not support a supermarket and glossed over the fact that the Worgret Road site was in the Green Belt.

When the latest core strategy was published on 1<sup>st</sup> September 2011 the proposal for 4,000m<sup>2</sup> of retailing remained in the plan, and land alongside Worgret Road was proposed to be taken out of the Green Belt so opening it up for development. As confirmed by a number of retailing studies there is no site in the town centre which could take a large new supermarket so using the sequential approach set out in PPS4 (and now in the NPPF) developers with their expensive lawyers and advisors will argue that the playing fields are the only site available.

On 5<sup>th</sup> October 2010 some 500 people packed the Purbeck School Hall for a special meeting of Purbeck District’s full Council and objected to the proposals in the Core Strategy for an out-of-town supermarket at Wareham. Councillors agreed to take proposals for a new supermarket out of the plan.

## **What has been the Council's approach in the submitted version of its Core Strategy to its now adopted position of preventing such an out-of-town supermarket and is it sound?**

Following its decision above to drop plans for the supermarket on the Worgret Road site it decided to go back to NLP in order to see if it could salvage the situation. But rather than asking the consultants to withdraw the RIA (with its flawed assumption that additional floor space was necessary) the Council's planners merely asked NLP to "*set out the relationship between this decision not to allocate a foodstore and the evidence presented in the Retail Impact Assessment*" [paragraph 1.5 of the Statement by BLP dated 19<sup>th</sup> October 2010 – **CD148**]. This document in itself exposes the flawed assumption the RIA itself was based on, namely the Council's previously perverse decision to consider a supermarket on Worgret Road as its Preferred Option contrary to its previous stance successfully defended at previous local plan inquiries, without properly weighing up the substantial harm to the town centre's vitality and viability against the limited supposed benefits in increasing the retention rate and qualitative choice in Wareham, and certainly without properly taking into account that such need should be addressed in *town centres* (see particularly paragraphs 3.2, 3.3 & 4.1 of this document). The RIA's conclusions that a new 2,000m<sup>2</sup> supermarket would not cause significant adverse effect on the town centre are flawed for all the reasons set out in previous objections [Appendix 2]. The 'wider planning considerations' (cited in paragraphs 7.2-7.4 of this document) should have been properly considered in the main RIA, which is why it should be withdrawn and completely re-written.

Following further representations from us and other objectors in the autumn 2011 consultation the Council once again reverted to NLP asking it to: 1) provide clearer conclusions on quantitative need for the additional food floor space based on 2,400 dwellings, 2) look again at the population projections, and 3) check the impact on Wareham town centre [**CD149** – Letter from NLP dated 25/11/11]. Notwithstanding that the Council did not ask NLP to rework the whole of the RIA, especially now that its principal assumption that the Council's Preferred Option of a new 2,000m<sup>2</sup> supermarket on Worgret Road was incorrect, NLP's letter concluded that there is capacity for **900m<sup>2</sup>** food floorspace in Swanage and just **55m<sup>2</sup>** in Wareham. Not only is this conclusion unjustifiably different from the conclusion of the original RIA (totally discrediting it), but it is clearly at odds with the Council's modified Policy RFS which for some inexplicable reason still requires a figure of **1,300m<sup>2</sup>** of new food retail floorspace.

## **What particular part of the Core Strategy is unsound?**

Policy RFS and the text introducing it (Change No.31 - Paras 6.7.3.1-6.7.3.3).

## **Which criteria set out in paragraph 182 of the NPPF does it fail?**

This policy is unsound because it is unjustified (in that it is based on NLP's RIA and addendums to it that are not based on robust evidence) and inconsistent with national policy in the NPPF. Notwithstanding the Council deleting the allocation of the Wareham Middle School playing fields site for a supermarket any supermarket developer will still pursue this site since it was originally indicated as a Preferred Option and is still justified by the flawed RIA on the Council's evidence base. As long as a requirement is indicated for this level of food floor space by this policy, Wareham town centre remains vulnerable to impact from a

new food supermarket, which developers are currently intent on pursuing, given the County Council's intention to sell the site to Sainsbury's assuming the Government allows the Section 77 disposal application to go ahead.

### **Why does it fail?**

This policy is based not based on robust evidence and does not reflect national policy for the following reasons:

1. The RIA is based on the assumption that a new out-of-town food store of 2,000m<sup>2</sup> in Wareham is a given and then seeks to justify it by a series of assumptions in part based on statistically unreliable and insignificant surveys (as highlighted in the joint objection document from the Wareham Town Trust, the Wareham Chamber of trade & PEAT – Appendix 2)
2. The RIA itself acknowledges there is no quantitative need for additional retail floorspace.
3. It is predicated on the assumption that “clawing back” trade from Poole & Dorchester is not only a good idea but is quite possible. Both these assumptions are wrong. First, because the extant 1998 research (acknowledged as guidance effectively) evidences that out-of-centre food stores in market towns like Wareham have severe detrimental effects on the vitality and viability of their town centres. Secondly, because a foodstore of 2,000m<sup>2</sup> (now 1,300m<sup>2</sup> as set out in changed Policy RFS) cannot possibly hope to compete against the Poole superstores of 9,000-10,000m<sup>2</sup> (Tesco at Fleetsbridge/Waterloo Road & Tower Park and Asda next to Poole town centre) that clearly attract loyalty by virtue of the different scale of retail offer as well as brand loyalty and that people who live in Wareham but work in Poole/Bournemouth will inevitably use on their way home.
4. It's sequential assessment appears to be based purely on the likely availability of the Wareham Middle School site as a result of it being declared surplus to educational requirement following the County Council's re-organisation of the Purbeck pyramid from 3 to 2-tier, irrespective of the fact this site is currently located in the Green Belt. Its availability should not determine whether it is the best sequential site, especially now that the District Council is opposing a supermarket on this site.
5. It's assessment of impact is based on a series of incorrect assumptions and conclusions. It selectively quotes from the 1998 DETR research only when that research appears to justify its stance that there would be limited impact on Wareham town centre, for instance in paragraph 6.60-6.63 where it uses the study to derive a figure of an additional £545,000 in spin-off trade to the town centre; this figure is purely hypothetical and in reality will not occur because the site is too far from the town centre to attract anywhere near this spin-off trade. This Section of the RIA acknowledges there will be decrease in footfall (see paragraph 6.45) but does not consider this to be crucial to the viability and vitality of the town centre as a whole because it does not consider Sainsbury's or the Co-op to be the key anchor retailer in the town centre. It is unclear how and why the RIA comes to this conclusion and it is certainly mistaken – Sainsbury's in the Rempstone Centre certainly is an anchor for the town centre and so the 1998 DETR study's conclusion that new out-of-centre stores significantly adverse market town centres' health clearly applies. So not only will any new supermarket on Worgret Road fail to generate any significant spin-off trade given its 450m distance from the town centre, it will reduce footfall and impact on the existing anchor

supermarket within the town centre. Impact on this anchor store (which is likely to close because it is Sainsbury's itself who is interested in building a new supermarket on Worgret Road) will in turn actually reduce trade in the town centre. Hence the supposed beneficial spin-off impact of the new supermarket on Wareham town centre will in reality be the exact opposite.

6. The Worgret Road site is unsustainable because it will encourage those car-borne trips coming into the town centre anchor store (and thus generate spin-off pedestrian footfall and trade to the rest of the town centre) to stop at the new store, especially because the site is so close to the town's western roundabout on the by-pass. The site is not accessible to the town centre: most people who would visit town centre shops when they parked in town centre car parks will not now bother, especially if the new store has a greater range of goods (which it will because of its size – the notion that this can be controlled by conditions is fanciful). It will also mean that many people from the town who walk to the town centre will now drive to the new store.
7. The effect of this adverse impact on Wareham town centre is the very opposite suggested by the RIA. It will weaken the existing food retail market because it is almost certain the result in the closure of the retail anchor within the Rempstone Centre as well as test the viability of the Co-op, bearing in mind that convenience stores within Wareham are already trading at just under benchmark levels. This is contrary to government planning policy to enhance the vitality of town centres [Paragraphs 23-27 of the NPPF].

### **How can the Core Strategy be made sound?**

Delete Policy RFS and its introductory text, withdraw NLP's flawed RIA from the evidence base, commission a new RIA from a different independent retail consultant with a Brief that does not assume the need for new retail floorspace and that requires the 1998 DETR study to be fully taken into account. Following the completion of the new RIA reconsult on this issue and then frame policy accordingly. Alternatively, delete Policy RFS and rely on Policy RP to make clear that new retail provision should be within town centres in accordance with NPPF policy, if necessary by explaining why the flawed conclusions of the RIA do not justify the allocation of a site for significant new retail floorspace.

It is sufficient to state in the Plan that any retail growth will be accommodated in the main town centres in accordance with Policy LD. There is no need to say anything else. If the Council is determined that some specific amount of new retail floor space is still necessary (and this should only be concluded following a new independent RIA commissioned through an unbiased Brief) then it should clearly define the extent of Swanage & Wareham town centres in order to ensure that there is capacity within these centres for such a level of floorspace.

### **What is the precise change/wording we are seeking?**

Delete the whole of Policy RFS and its supporting text (paragraphs 6.7.3).

### **Appendices:**

Appendix 1 - The development of retailing policy in Purbeck 1990 to 2008 (attached)

Appendix 2 - Response to the Retail Impact Study Jan 2010

Appendix 3 - Retail Impact Assessment for Purbeck District Council Consultants Brief 2010

## Appendix 1

### The development of retailing policy in Purbeck 1990 to 2008

In the early 1990's objections were made to the emerging North East Purbeck Local Plan for a supermarket to be located just off the bypass at Worgret Road. This proposal was firmly resisted by the District Council who successfully fought the developer at a major public inquiry (see North East Purbeck Local Plan Inspectors Report 1992). The Inspector ruled that the proposals would have a damaging effect on the vitality of the historic town centre and that the site should be protected from development by being included in the statutory Green Belt. Even a challenge by the developer to the High Court failed when the High Court judge Malcolm Spence QC dismissed the case and awarded costs against the developer. The Council's adopted local plan firmly resisted an out-of-town supermarket.

Meanwhile there was growing national concern about the effect of large out-of-town supermarkets on small market towns. The Government commissioned independent research which was published in 1998. In introducing the research Richard Caborn, Planning Minister, said *"this research firmly establishes that out-of-town superstores can seriously damage the health of small towns. Arguments about clawing back trade and creating jobs simply do not hold water. The report provides yet further justification for the Government's policy of concentrating appropriately sized new supermarkets in existing centres and resisting out-of-centre development."* Nothing in the NPPF contradicts this view and there is no reason to suppose that this research does not constitute relevant extant guidance. This is in fact the research mentioned in the Impact section of the Nathaniel Litchfield & Partners [NLP] 2010 Retail Impact Assessment although its central message is glossed over and ignored when considering the true extent of the impact on Wareham town centre ["The Impact of Large Foodstores on Market Towns and District Centres" – CB Hillier Parker & Savill Bird Axon, DETR 1998

In preparing its District-wide Local Plan the Council in 2000 appointed retail consultants to advise them. Drivers Jonas recognised that whilst there was an outflow of shopping expenditure to nearby Poole, they firmly advised against out-of-town supermarkets which would be likely to have a seriously detrimental effect on Wareham Town Centre.

Again objections were made by developers to the draft Plan which the Council firmly resisted. A planning inquiry took place in 2001/2 and the Inspector concluded *"I am wholly with the Council in its opposition to supermarket development at Worgret Road. Any deviation from Government advice about the sequential approach to supermarket development would be quite disastrous to a small market town such as Wareham. Small market towns with a relatively weak food store provision are particularly vulnerable to out-of-centre supermarkets for the reasons outlined above. Wareham Town Centre would be best served by an extension to the existing stores or a new store that would provide a reasonable element of competition and that would add to the attractions of shopping there."*

In 2005 the Council appointed Drivers Jonas to prepare an update on their 2000 study in particular investigating the need for a new food store and its impact on Wareham Town Centre. They concluded **[CD144]** that a new out-of-town supermarket did not pass the tests set out in PPS6: *"The proposal would undermine the vitality and viability of the town centre and undermine the established retailing role of Wareham"*.

Having had its policy of resisting out-of-town supermarkets strongly supported, the Council then worked with Somerfield, the town centre supermarket operator to improve food store provision by doubling the size of their store. Planning permission was granted and the larger 966m<sup>2</sup> store opened in July 2008, resulting in a doubling in the size from 515m<sup>2</sup>. The store which is in the heart of the town centre was subsequently taken over by Sainsbury's, who themselves have further extended its retail floor space. .