

**Representations to Tamworth Local Plan
(Pre-submission Draft)
Quantitative Assessment of Retail Need**

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Quantitative Assessment of Retail
Need**

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Indigo Planning

indigo

Indigo Planning Limited
Swan Court
Worple Road
London SW19 4JS

Tel: 020 8605 9400
Fax: 020 8605 9401

info@indigoplanning.com
indigoplanning.com

Representations to Tamworth Local Plan (Pre-submission Draft) Quantitative Assessment of Retail Need

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Appendix 1

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Appendix 2

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1. Introduction

- 1.1. This Assessment has been prepared by Indigo Planning, on behalf of Aucott Group, to support representations made to the Examination in Public (EiP) of the Tamworth Local Plan October 2014.
- 1.2. Aucott Group own Ventura Retail Park, Jolly Sailor Retail Park and other retail, commercial and business facilities south west of Tamworth town centre. They are a major landowner and developer within Tamworth who have delivered considerable investment and employment opportunities to the local area. Aucott Group want to ensure that their retail provision remains attractive, competitive and aligned with consumer shopping needs.
- 1.3. We consider that the retail evidence base which underpins emerging retail policy in the Local Plan is flawed. We further consider that emerging Policies EC1 and EC2 are not in accordance with the National Planning Policy Framework (NPPF). This Assessment outlines our concerns regarding the retail evidence base and the approach to retail policy in the emerging Local Plan.
- 1.4. This Statement is structured as follows:

Section 2 outlines relevant emerging retail policy;

Section 3 discusses our concerns with the retail evidence base; and

Section 4 outlines the implications of our concerns for emerging retail policy.

2. Emerging Retail Policy

- 2.1. By way of context, this Section outlines the emerging retail policies which are relevant to our submission. Key emerging retail policies are set out in Chapter 4 of the emerging Tamworth Local Plan.

Policy EC1: Hierarchy of Centres

- 2.2. Policy EC1 outlines a three-tier local retail hierarchy, with Tamworth town centre at the top of the hierarchy, followed by local centres and then neighbourhood centres. Policy EC1 states that proposals for main town centre uses outside of existing centres must demonstrate:

- compliance with the sequential test;
- good accessibility by walking, cycling and public transport;
- no adverse impact on the vitality and viability of other existing centres; and
- that they will not prejudice the delivery of other strategic objectives.

- 2.3. It specifies alternative impact assessment thresholds, depending on where the proposals are located with respect to existing centres. The thresholds are proposed as follows:

- 250m² – for proposals within the out-of-centre retail parks or Strategic Employment Sites and Employment Allocations as identified on the Policies Map;
- 250m² – for proposals within 400m of the boundaries of a local centre;
- 100m² – for proposals within 400m of the boundaries of a neighbourhood centre;
- 500m² – for proposals in any other area outside of the town centre.

- 2.4. It confirms that the proposals should assess the cumulative effect of the proposals on town, local and neighbourhood centres and the impact on recently completed developments and outstanding planning permissions, including the Gungate redevelopment.

Policy EC2: Supporting investment

- 2.5. Policy EC2 states that the town centre will be the preferred location for town centre uses and high quality, high density residential uses.
- 2.6. It states, in particular, that planning permission will be granted for retail (7,800m² comparison and 2,900m² convenience floorspace after 2021), leisure, tourism, cultural and office development that support and enhance the function of the town centre.
- 2.7. Policy EC2 seeks to improve the connectivity of the centre by walking, cycling and public transport, to and from the out of town retail areas, the railway station and leisure facilities.
- 2.8. It encourages development which will improve the public realm, including the town centre's open spaces and at strategic entrances to the town centre. It seeks to preserve and enhance local historic character, including key historic landmarks and the outdoor street markets.
- 2.9. It confirms that development which has a negative impact on the vitality and viability of the town centre will not be supported.

3. The Retail Evidence Base

- 3.1. The Tamworth Town Centre and Retail Study Update (TTCRSU) was published in 2014 and provides the Council's most recent advice regarding retail and leisure capacity in the Borough. It provides an update to the Tamworth Town Centre and Retail Study (TTCRS) 2011 and the Tamworth Town Centre and Retail Study Supplementary Report and Addendum, both published in 2012. All of the studies have been prepared by England & Lyle (E&L).
- 3.2. The TTCRSU 2014 relies on the same household survey that was undertaken to underpin the TTCRS 2011. It also appears to rely on the original 2009 population and expenditure data that was used by the TTCRS 2011. New updated population projections have been provided for the period 2021 to 2031.
- 3.3. In this Section, we outline the concerns we have regarding the TTCRSU 2014, specifically in terms of technical issues and advice underpinning retail policy and the implications of the shortcomings of the TTCRSU 2014 for drafting retail policy.

Technical Issues and Discrepancies

Data and Assumptions

- 3.4. There are discrepancies within the TTCRSU 2014 which undermine its transparency and credibility. In particular:
 - The price base is not clear - At paragraph 4.3, it states that the data is provided in 2009 prices, but the table at paragraph 4.4 indicates that the data is in 2008 prices; and
 - The source of retail assumptions is not clear – Paragraphs 4.6 and 4.7 refer to Experian Retail Planner Briefing Note 11 (although this is dated as both October 2013 and October 2011, the former is correct), but Appendix 2A references Retail Planner Briefing Note 8.1 (August 2010).
- 3.5. We are also concerned about the reliability of the underlying data set and evidence base.
- 3.6. The 2009 data set which underpins the TTCRSU 2014 is out-of-date. The population and expenditure data is now some six years old. There is no reason for the base data to be out-of-date when it is updated annually by data providers. The 2013 data would have been available to use in the TTCRSU 2014.
- 3.7. The household survey is also more than 4 years old. E&L has justified using the survey data on the basis that they *'do not expect that shopping patterns will have changed significantly with the new developments'* including a new Lidl store and large format comparison goods developments at the Retail Parks, including a John Lewis at Home (paragraph 1.5, TTCRSU 2014). They do not consider that the market shares of the centres and Retail Parks will have changed. We consider that shopping patterns are likely to have changed, particularly with the new John Lewis at Home, and that a new household survey would have been appropriate.

Retail Capacity

- 3.8. The quantitative methodology followed by E&L in identifying capacity for new retail floorspace does not accord with good practice. Our two key concerns are that E&L:

- fail to take account of quantitative and qualitative overtrading in the capacity analysis; and
- make unrealistic assumptions regarding the delivery of the Gungate scheme.

3.9. We consider these below.

Failure to take into account over-trading

- 3.10. The conventional methodology used in assessing retail need or capacity takes into account the trading performance of stores.
- 3.11. The usual approach to assessing capacity is to establish the current turnover of existing floorspace using survey data, and then to assess whether this represents a reasonable baseline for forecasting purposes. In other words, are existing facilities trading broadly in line with 'acceptable' levels, or is there evidence that facilities are underperforming or trading at such high levels that 'overtrading' is occurring.
- 3.12. Practitioners establish 'benchmark' turnovers for different types of centre/store. These can be compared to the actual turnovers calculated. This approach allows the determination of how existing floorspace is performing. Where actual turnover significantly exceeds benchmark turnovers (as in this case) then existing floorspace may be overtrading.
- 3.13. The conventional approach assumes that 'over trading' is a component of capacity.
- 3.14. In preparing the TTCRSU 2014, E&L have failed to take into account the performance of existing facilities and the expenditure capacity generated through current levels of overtrading. E&L acknowledge that convenience and comparison facilities in the Borough are overtrading (paragraphs 5.24 - 5.25, TTCRSU 2014). However, their assessment considers capacity from expenditure growth only. In short, they do not benchmark the turnovers of existing facilities, which would enable them to compare the results with current or 'actual' turnovers to determine how much overtrading exists.
- 3.15. We have benchmarked the turnovers of existing facilities and consider that the failure to take overtrading into account in the capacity assessment is significant because the overtrading is significant. Our estimates of the current levels of overtrading at convenience and comparison facilities within Tamworth are shown in Tables 1 and 2 in **Appendix 1** and are explained below.
- 3.16. Market shares of existing convenience and comparison facilities within the Borough can be established by Appendix 7A and 7B of the TTCRS 2011. Using the market shares, we can calculate updated turnovers, and project turnovers over the plan period, using the updated expenditure estimates provided in the TTCRSU 2014. This is referred to as the 'actual' or 'survey derived' turnover.
- 3.17. Benchmark turnovers are based on company averages or accepted averages expected to be achieved. For convenience facilities, we can estimate benchmark turnovers by using company average sales densities published by Verdict. For comparison facilities, we have used the sales densities outlined in the TTCRSU 2014.
- 3.18. By comparing actual turnovers with benchmark turnovers, it is possible to establish if existing facilities trade above (overtrading) or below (under trading) the average. This is summarised in Tables 3.1 and 3.2 for 2016.

Table 3.1: Convenience Overtrading

2016	Benchmark Turnover (£m)	Actual Turnover (£m)	Over-trading (£m)
Asda, Ventura	51.05	54.84	3.79
Sainsbury's, Bitterscote Dr	46.95	56.65	9.70
Morrisons, Hilmore Way	38.27	48.04	9.77
Total	136.27	159.53	23.26

Source: Table 1, Appendix 1

Table 3.2: Comparison Overtrading

2016	Benchmark Turnover (£m)	Actual Turnover (£m)	Over-trading (£m)
Tamworth town centre comparison stores	74.56	147.88	73.32
Ventura/Jolly Sailor Retail Parks	124.58	248.63	124.05
Total	199.14	396.51	197.37

Source: Table 2, Appendix 1

- 3.19. Table 3.2 projects that Tamworth town centre will achieve a comparison turnover of almost £148m in 2016 and that it will, effectively, be trading at twice expected levels. This is a very high turnover and indicates that it is a very healthy town centre.
- 3.20. It is clear from Tables 3.1 and 3.2 that there are significant levels of overtrading at both the convenience and comparison facilities within the town centre and the Retail Parks. In 2016, the convenience overtrading is estimated at £23m, and the comparison overtrading is estimated at £197m. This is anticipated to increase over time as summarised in Table 3.3.

Table 3.3: Expenditure Capacity arising through Overtrading

Overtrading	2016 (£m)	2021 (£m)	2031 (£m)
Convenience	23.26	30.81	48.15
Comparison	197.37	231.31	347.53

- 3.21. These are considerable levels of overtrading which should not be ignored as they have a direct influence on retail capacity.

Assumptions regarding the delivery of the Gungate scheme

- 3.22. A further concern relating to methodology is that, when estimating capacity for new comparison floorspace, E&L have allowed for the Gungate redevelopment scheme to be delivered by 2016. This is impossible.
- 3.23. We are aware that Henry Boot secured an extension of time of a further 3 years on their 2010 outline permission in November 2013. The extension permission allowed them a further 3 years to submit reserved matters (November 2016) and then a further 2 years (November 2018) in which to implement the works. Therefore, even when the permission for the extension of time was granted, the assumption that the scheme would be *delivered* by 2016 was not realistic.
- 3.24. Nevertheless, some 18 months (or half) of the further 3 year extension have now lapsed with no applications for reserved matters submitted and no further progress on delivering the approved scheme. The reality is that it is unlikely that the Gungate scheme will be delivered as approved, or indeed at all.

- 3.25. E&L would have been aware of the questions over the timing, and indeed, the deliverability, of the Gungate scheme when they were preparing the TTCRSU 2014. Given the uncertainty, it would have been prudent for E&L to undertake some scenario testing on both the timing of the commitment and the scale of retail floorspace that could be delivered to understand the implications for floorspace capacity should the Gungate scheme be further delayed, delivered in a different format, or not delivered at all for retailing.
- 3.26. Assuming the Gungate scheme will be delivered as approved within an impossible timeframe does not provide a reasonable or realistic basis on which to make decisions about future applications for new retail development within the Borough.

Implications for Floorspace Capacity

- 3.27. The implications of the shortcomings in E&L methodology in assessing floorspace capacity described above are very significant. We established at Tables 3.1 - 3.3 that E&L have substantially under-estimated expenditure capacity for new convenience and comparison floorspace. Table 3.4 calculates revised E&L expenditure capacity figures taking into account the expenditure capacity arising through overtrading identified above.

Table 3.4: Revised Capacity taking into account Overtrading

	2016 (£m)	2021 (£m)	2031 (£m)
Convenience			
E&L expenditure capacity	-9.48	1.16	23.88
Capacity through overtrading	23.26	30.81	48.15
Revised expenditure capacity	13.78	31.97	72.03
Comparison			
E&L expenditure capacity	-47.99	-36.02	35.83
Capacity through overtrading	197.37	231.31	347.53
Revised expenditure capacity	149.38	195.29	383.36

*Source: E&L capacity figures taken from Appendix 4A and 4B, TTCRSU 2014.
E&L assume that Gungate will be built and trading by 2016.*

- 3.28. The under-estimate of convenience capacity is significant. The under-estimate of comparison capacity is staggering. It is plainly clear that there is a significantly more capacity for new comparison goods floorspace within the Study Area than E&L have estimated. To demonstrate, we have translated the additional expenditure capacity identified in Table 3.4 into floorspace potential in Table 3.5 below.

Table 3.5: Revised Floorspace Capacity

2016	Convenience	Comparison
Over-trading (£m)	13.78	149.38
Sales density (£/m ²)	12,000	5,000
Floorspace Capacity (m ² net)	1,148	29,876
Floorspace Capacity (m ² gross)	1,641	42,680

2021	Convenience	Comparison
Over-trading (£m)	31.97	195.29
Sales density (£/m ²)	12,000	5,500
Floorspace Capacity (m ² net)	2,664	35,507
Floorspace Capacity (m ² gross)	3,806	50,725

2031	Convenience	Comparison
Over-trading (£m)	72.03	383.36
Sales density (£/m ²)	12,000	6,700
Floorspace Capacity (m ² net)	6,003	57,218
Floorspace Capacity (m ² gross)	8,575	81,740

Note: Sales density figures taken from paragraph 5.13 and 5.14, TTCRSU 2014.

Net to gross ratios from the TTCRSU 2014.

- 3.29. E&L advised the Council that there was capacity for a further 7,800m² (gross) comparison floorspace and a further 2,900m² (gross) convenience floorspace by 2031. Clearly, the figures in Table 3.5, which show capacity for circa 82,000m² (gross) comparison floorspace and 8,600m² (gross) convenience floorspace, demonstrate that this is a serious under-estimate. We consider the implications of this for policy making in the next Section.
- 3.30. Indeed, the above figures continue to take into account the Gungate commitment. As previously explained, it is certain that the Gungate scheme will not be delivered in 2016 and it is likely that it will not be delivered at all in the form that has consent.
- 3.31. E&L estimate that the Gungate scheme, as approved, will achieve a turnover of £72m. If it is assumed that this scheme is not delivered at all, the comparison expenditure capacity position increases to £221m in 2016, £267m in 2021 and £455m in 2031. If the Gungate is delivered for retailing at all, it most likely will be for considerably less floorspace than that approved. This highlights E&L's unrealistic assumptions on planning for new comparison goods floorspace.
- 3.32. The implications of this capacity under-estimate for policy making, and in particular how it is used to justify lower impact assessment thresholds, are addressed below and in the next Section.

Capacity for Other Town Centre Uses

- 3.33. E&L address the need for other town centre uses in Section 5 of the TTCRSU 2014.
- 3.34. To calculate capacity for other town centre uses, E&L have used per capita expenditure data for leisure uses within the Study Area zones and compared these to UK averages. On the basis that Experian forecast an increase in leisure expenditure of 1.4% pa over the period to 2031, E&L conclude that they '*believe there is potential for additional leisure/catering to be concentrated in the town centre, which would improve its vitality and viability*' (paragraph 5.35, TTCRSU 2014).

- 3.35. This is an inadequate as an assessment of the capacity or need for new town centre uses within the Borough over the plan period. In particular, E&L make no assessment of the range, quality and quantity of existing facilities; the extent to which residents are satisfied (or not) with the existing range of provision; and the opportunities to improve or expand provision in line with consumer preferences or to fill existing gaps in provision. As such, their assessment of future demand has very little connection with quantitative or qualitative need and does not provide the Council with a credible basis with which to plan for future provision.

Development Opportunity Sites

- 3.36. The shortcomings in E&L's assessment of capacity for new retail and leisure (and other town centre uses) floorspace mean that their assessment of development opportunity sites is flawed. Without a robust understanding of how much floorspace is required over the plan period, E&L cannot advise the Council on an appropriate strategy to meet those needs.
- 3.37. Further, we consider that E&L's approach to assessing development opportunity sites does not allow the local authority to fulfil NPPF expectations when planning for town centre uses.
- 3.38. Firstly, the site appraisals appear incomplete, with obvious gaps in various sections of each appraisal. Secondly, and crucially, E&L have not investigated the size of the sites and the amount of floorspace that could be realistically accommodated as part of the site appraisals. We consider that this is an important shortcoming of the TTCRUS 2014 as without this, it is impossible to determine if the identified sites can accommodate the identified floorspace needs over the plan period.
- 3.39. The NPPF advises local authorities, when plan making, that it is necessary to ensure that retail needs are met in full (paragraph 23, NPPF). Without an understanding of the size and scale of floorspace that may be realistically accommodated on development opportunity sites, the Council cannot determine if the retail and leisure needs identified over the plan period can be met in full or if it is necessary to plan for an expansion of the town centre or to identify alternative sites elsewhere.

Local Plan Policy Advice

Consumer Choice and Competition

- 3.40. In providing local plan policy advice to the Council, E&L recommend that:
- *'Local Plans should promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres'* and
 - *'It [Tamworth town centre] should provide an attractive retail, leisure and service offer and a distinctive environment for shopping and other town centre uses that complements the out-of-centre retail areas and has good linkages with them'* (paragraph 6.11).
- 3.41. E&L go on to suggest that the town centre needs to be protected from the Retail Parks and that it must be ensured that *'future investment is not harmed by further out-of-centre retail park developments'* (paragraph 6.13). At paragraph 6.22, E&L explicitly state that *'large out-of-centre development has harmed the vitality and viability of the town centre'*.
- 3.42. E&L provide no evidence that the Retail Parks have harmed or will harm the town centre. They fail to take into consideration the considerable expenditure that is retained in Tamworth because shoppers go to the Retail Parks rather than to centres and retail parks outside the Borough and the significant local employment generated by the Retail Parks that have very valuable spin-off benefits for other local retailers. There is simply no evidence to support E&L's view that the Retail Parks have undermined or hindered the vitality and viability of the town centre or that they will in the future, and this has implications for policy making.
- 3.43. To put this into context the Javelin Group provides rankings for the UK's top 2,700+ retail

destinations using the 'VenueScore' system. VenueScore rankings are based on a consistent, weighted scoring system which seeks to measure the overall attraction of each venue compared to other venues across the country. VenueScore evaluates each centre in terms of its provision of multiple retailers, including anchor stores, fashion operators and non-fashion multiples.

- 3.44. The higher the VenueScore, the better the centre is, and the lower it is in the ranking so the centre with the highest VenueScore will be ranked number 1.
- 3.45. In 2011/12 Tamworth town centre had a VenueScore of 96 and a UK ranking of 268. In the latest Report (2014/15) the town centre has a VenueScore of 100 and a ranking of 261. This means that that centre has improved in the period 2011/12 to 2014/15.
- 3.46. In short, the Retail Parks have not undermined the town centre to date and with appropriate positive planning and a clear strategy for retail growth across Tamworth, they can continue to make an important and valuable contribution to Tamworth's local economy while complementing and supporting the town centre in the future.

Proposals for Development Out of Centre

- 3.47. E&L advise the Council to adopt significantly lower impact assessment thresholds than the NPPF threshold of 2,500m² (gross). The thresholds range from 100m² – 500m² depending on where the proposals for new out-of-centre retail development are located. For new retail floorspace proposed at the retail parks, the suggested impact assessment threshold is 250m². This advice underpins Policy EC1.
- 3.48. Given the health of the town centre and the capacity in Tamworth, there is no real justification for the thresholds specified for the reasons explained below.
- 3.49. E&L seek to justify the 500m² impact assessment thresholds for Tamworth town centre on the basis of 'experience elsewhere' (paragraph 6.22, TTCRSU 2014). The justification for a local impact assessment threshold for a particular town centre should be specific to the local circumstances. Unless circumstances in Tamworth suggest it is necessary, the NPPF threshold should be applied.
- 3.50. E&L provide little else by way of specific justification in respect of the impact assessment threshold they recommend, other than by making the following sweeping statement:
- 'In view of the limited levels of identified capacity, it is considered that any major retail proposals that come forward during this period outside centres have the potential to adversely affect the vitality and viability of existing centres'* (paragraph 6.26, TTCRSU 2014).
- 3.51. We have serious reservations about this approach because:
- The NPPF test of impact relates to significant adverse impact, not simply adverse impact;
 - Proposals of 100m² – 500m² floorspace do not constitute 'major' development. The NPPF threshold of 2,500m² sets the parameters for 'major' development;
 - E&L provide no evidence to indicate that centres within Tamworth have increased vulnerability to impact and, therefore, require enhanced levels of protection. Indeed, as noted the evidence is that Tamworth's health has improved; and
 - Our capacity analysis has confirmed that there is considerably more capacity for new convenience and comparison floorspace within the Borough over the plan period than E&L estimate.

- 3.52. In respect of the Retail Parks, E&L suggest an impact assessment threshold of 250m²

should apply to proposals for new retail floorspace on the basis that '*such a control is appropriate because for further major out-of-centre retail developments could prejudice the Council's strategy for regeneration of the town centre, including the Gungate scheme and other longer term development opportunities*' (paragraph 6.27).

- 3.53. Aside from the fact that 250m² does not constitute major development, there is no logic to their recommendation. At paragraph 6.27, E&L identify that the average size of the units at the Retail Parks is 1,870m². They then go on to state (with no evidence) that units of 500m² are usual in retail parks and these units compete strongly with town centres. On this basis, they recommend a threshold of 250m².
- 3.54. We cannot see the connection or, indeed, the justification for this conclusion. E&L themselves identify that the average size of units at the Tamworth retail parks are more than three times larger than the units they consider will '*compete strongly with town centres*' and on this basis, they recommend a threshold which is half that size and seven times smaller than the average unit size. There simply is no logic. There is also no evidence provided to support the view that units of 500m² will '*compete strongly with the town centre*'.
- 3.55. The circumstances in Tamworth are:
- there is significant retail capacity;
 - the town centre is turning over at £148m, twice the expected turnover (refer Table 3.2); and
 - the town centre is vital and viable and has improved in recent years.
- 3.56. In these circumstances, there is no reason to assess the impact of proposals of 500m² because quite simply, it is not going to be significantly adverse. Indeed, to suggest that the development of a unit of 250m² being developed at the Retail Parks could prejudice the Gungate scheme (paragraph 6.27 of the TTCRUS 2014) is very concerning. We would suggest that if the viability of the Gungate scheme is so precarious, it is not going to be developed.
- 3.57. In short, the impact assessment thresholds have no clear and justified basis. If lower impact assessment thresholds are applied within Tamworth, they should be clearly related to local circumstances and supported by valid justification. Alternative impact assessment thresholds should not be used as a tool to unnecessarily restrict growth and development that can otherwise be demonstrated to be acceptable.
- 3.58. To have to produce an impact assessment for a unit that will not have an adverse impact on Tamworth town centre. It is simply a waste of time and money.

Summary

- 3.59. In short, we consider that:
- the dataset and assumptions underpinning the TTCRSU 2014 are out-of-date and do not provide a reliable basis on which to estimate retail floorspace needs;
 - E&L have considerably under-estimated the capacity for new retail floorspace within the Borough over the plan period, particularly for new comparison goods, by:
 - failing to take into account the substantial levels of over-trading at existing facilities; and
 - making unrealistic assumptions regarding the delivery of the Gungate scheme.
 - E&L have failed to undertake a robust assessment of the need for other town centre uses

within the Borough over the plan period; and

- E&L have not undertaken a robust assessment of the prospects of development opportunity sites to accommodate identified retail and leisure needs that would enable the Council to positively plan to ensure future needs are met in full.

3.60. We further consider that their planning policy advice is inadequate. In particular, the recommendations regarding alternative impact assessment thresholds have not been justified.

3.61. It is for these reasons that we consider that the TTCRSU 2014 does not provide a robust evidence base to inform retail policy as part of the emerging Tamworth Local Plan. It is clear that a fresh assessment of retail and leisure floorspace needs, underpinned by up-to-date data and retail assumptions and a new household survey, should be undertaken in accordance with good practice to ensure that the local authority can fulfil the requirement to meet retail needs.

4. Implications for Retail Policy

- 4.1. In this Section, we comment on the compliance of emerging Policies EC1 and EC2 with the NPPF, and discuss the implications of our retail capacity findings with respect to planning for new retail floorspace over the plan period.

Compliance with the NPPF

- 4.2. As drafted, emerging Policies EC1 and EC2 do not comply with the requirements of the NPPF as it relates to impact assessment.
- 4.3. Paragraph 26 of the NPPF sets out the criteria for impact assessment. It states that out-of-centre proposals should assess:
- *The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and*
 - *The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made.*
- 4.4. Paragraph 27 of the NPPF states that:
- Where an application fails to satisfy the sequential test, or is **likely to have significant adverse impact** on one or more of the above factors, it should be refused (our emphasis).*
- 4.5. Emerging Policies EC1 and EC2 of the Tamworth Local Plan do not comply with paragraph 27 of the NPPF because:
- Policy EC1 states that proposals for main town centre uses outside of existing centres must demonstrate *‘that there will be **no adverse impact** on the vitality and viability of other existing centres’* (our emphasis); and
 - Policy EC2 states that *‘development that will have **a negative impact** on the vitality and viability of the town centre and its function will not be supported unless it has been demonstrated that the wider economic benefits will outweigh the detriment to the town centre’* (our emphasis).
- 4.6. The advice given by E&L in respect of lower impact assessment thresholds appears also to be based on the premise that the town centre needs to be protected from any adverse impact, no matter how insignificant (see paragraphs 6.22, 6.24 and 6.26 TTCRSU 2014).
- 4.7. The NPPF is clear in that the test of impact relates to ‘significant adverse’ impact. It is not the intention of the NPPF to restrict development that simply has an adverse or negative impact. The intention of the NPPF is to positively plan for, and encourage, appropriate and sustainable new economic development. The NPPF is clear that there is a presumption *in favour* of sustainable economic development and the role of planning is not to unnecessarily restrict or delay appropriate development.
- 4.8. Emerging Policies EC1 and EC2 need to be redrafted to reflect the NPPF.
- 4.9. The advice in respect of lower impact assessment thresholds needs to be reconsidered in light of our analysis in respect of retail capacity, the turnover of Tamworth town centre

(£148m at 2016) and its vitality and viability, and on the basis that the impact test relates to significant adverse impact. This is discussed further below.

Implications of Retail Capacity Findings

- 4.10. Section 3 of this Statement identifies that the Council's retail evidence base, the TCRSU 2014, drastically under-estimates the quantum of retail capacity within the Borough over the plan period.
- 4.11. This has implications for the emerging Policy EC2 which allows for a further 7,800m² comparison goods floorspace and 2,900m² convenience goods floorspace after 2021. These figures are directly related to the findings of the TCRSU 2014. If the TCRSU 2014 findings are flawed, then the emerging policy is also flawed.
- 4.12. It is not specifically mentioned in emerging Policy EC1 or EC2 (only in supporting text paragraph 4.22), but these projections assume the implementation of the Gungate scheme will meet retail needs in the short to medium term, with the need for new floorspace only emerging once the Gungate scheme has been delivered (post 2021).
- 4.13. We have established that the Gungate scheme will not be implemented in the short term and that it is very unlikely that it will be implemented, as approved, in the medium or longer term, or indeed, ever.
- 4.14. Therefore, not only is emerging retail policy based on the premises that new development and investment should be delayed on the prospect that the Gungate scheme *might* be delivered (despite evidence indicating that it will not be delivered as consented), it seriously under-estimates the amount of new retail floorspace that can be delivered in the Borough and, therefore, fails to meet retail needs in full.
- 4.15. Section 3 establishes that it is very unlikely that the town centre can accommodate the full extent of the circa 91,000m² convenience and comparison floorspace capacity that is expected at 2031. The Council must, therefore, consider where this capacity can be accommodated and in particular, whether there is scope for an extension to the town centre through development on edge of centre sites; or if there are alternative sites which could accommodate the floorspace. However, there is logic in extending the town centre to incorporate Ventura and Jolly Sailor Retail parks.
- 4.16. The Retail Parks must play a role in meeting the retail floorspace needs of the Borough. This is outlined further below.

The Role of the Retail Parks

- 4.17. Ventura and Jolly Sailor Retail Parks are located approximately 1km to the south-east of Tamworth town centre. The Retail Parks are characterised by modern, flexible, large format retail units with dedicated car parking and are anchored by key retailers such as John Lewis at Home, M&S, Sainsbury's and Asda. They also accommodate a good range of national multiple retailers including Argos, River Island, Next, H&M, Boots, WH Smith, Blacks, Dixons, Matalan and Mothercare.
- 4.18. Tamworth town centre is a traditional town centre with smaller unit shops, a much higher representation of independent retailers and strong historic features. It also offers a much more diverse range of uses such as service, business, cultural, leisure and community uses. It has an important shopping function, which effectively meets the local shopping needs of residents. The TCRSU 2014 indicates that it will turnover at £148m at 2016. It serves a different market to the Retail Parks.
- 4.19. We have mentioned E&L's unhelpful approach to the Retail Parks in the previous Section. E&L discuss the dominance of the Retail Parks by noting that the Retail Parks achieve a turnover which is double that of the town centre (paragraph 5.20). They outline their

concerns that the Retail Parks have become 'too dominant' compared to the town centre and suggest that the balance needs to be 'redressed' (paragraphs 5.22). They advise the Council that retail policy should seek to shift the 'balance of attraction' from the Retail Parks to the town centre (paragraph 5.21).

- 4.20. Although they do not quantify it, E&L recognise that there is overtrading at the Retail Parks, manifested by traffic congestion and parking difficulties. They describe the Retail Parks as 'a victim of their own success'. The solution put forward by E&L in this regard is to promote the town centre as a retail destination and restrict development at the out-of-centre Retail Parks (paragraph 5.25).
- 4.21. In fact, E&L have consistently advised the Council that the Retail Parks are too dominant and that the only way forward is to promote new development in the town centre while strictly controlling new development at the Retail Parks (refer paragraphs 8.22, 8.25 and 10.9 of the TTCRS 2011 and paragraphs 8.22 and 8.25 of the TTCRSSR 2012).
- 4.22. We consider that this is the wrong approach and that it is pointless to suggest that the town centre can and should try to compete with the Retail Parks. The two retail destinations complement each other.
- 4.23. It must be recognised that retailing has evolved and that planning for new retailing must also evolve. While town centres featuring traditional high street layouts continue to be important shopping, business, leisure and community hubs across the country, planners must accept that shoppers expect to have, and indeed do have, access to an immensely wider range and choice, exhibit entirely different shopping habits and use many channels to meet shopping needs that are vastly different to those used in the past. Retailers constantly have to update their offer and their approaches to retailing to maintain competitiveness and attractiveness to the consumer. As a consequence, it is inevitable that new shopping formats will eventually emerge to respond some of those changing demands and trends and that not all of this retailing can be accommodated by traditional shopping formats.
- 4.24. There is no point in trying to 'force' retailers into the town centre by excluding any other retail development outside of the town centre. This is not positive planning. If the town centre cannot offer the size, formats and flexibility required by modern retailers, they simply will not locate there. They will look for alternative premises in alternative towns. This should not give way to unrestricted out-of-centre retailing but it does mean that planners have to allow for some flexibility to enable new retailing formats to be delivered.
- 4.25. The reality is that the Retail Parks in Tamworth are now a significant and very popular fashion and homewares shopping destination and even if the town centre redevelopment on the Gungate site does come forward, it cannot realistically be expected to compete on a 'like for like' basis. Nor should it have to. The town centre is healthy, vital and vibrant. It has many strengths and opportunities to expand on its individual character and distinct offer. It has also demonstrated that it can operate successfully alongside the Retail Parks without being in direct competition.
- 4.26. The contribution of the Retail Parks to the local Tamworth economy must be recognised. The Retail Parks enable Tamworth to retain a significant proportion of local expenditure while also attracting a considerable amount of expenditure from outside of the Borough. They also employ a significant number of local people which has spin-off benefits for the local economy. In short, the Retail Parks play a valuable role in contributing to the local economy and it is reasonable to expect that, through their local economic benefits, they contribute to the health and vitality of the town centre. Without them, significantly fewer people would be visiting the Borough, fewer local people would have local jobs and residents would be travelling much further afield for their higher order comparison goods needs, and using other centres, instead of Tamworth town centre, for their other needs at the same time.
- 4.27. We have sought to quantify the economic benefit of the retail floorspace outside the town centre. The brief Report in **Appendix 2** quantifies the value of the floorspace in terms of

jobs created and Gross Value Added (GVA) to the local economy.

- 4.28. The Report concludes that the retail floorspace generates between 1,781 to 3,055 jobs for local people. This will generate a gross value added of between £69.2m and £118.8m per annum for the local economy.
- 4.29. Even if the Gungate redevelopment does happen it will not enable the town centre to compete directly with the Retail Parks. Even with Gungate, the town centre will serve a different function to the Retail Parks and will continue to function healthily and effectively alongside the Retail Parks. What happens at the Retail Parks has no bearing or influence as to whether or not Gungate is developed in the future. This is because the town centre is a different market.
- 4.30. In any case, it is clear that the town centre cannot physically accommodate the capacity for new retail floorspace within the Borough and the Council's negative approach to planning for new retail development (by seeking to restrict new retail development until Gungate is delivered), is simply not in accordance with the intention of the NPPF to promote sustainable economic development and to remove unnecessary barriers within the planning process.
- 4.31. A more realistic and positive approach would be for the emerging Local Plan to recognise the role and contribution of the Retail Parks in meeting retail needs and in supporting the local economy. It must take a sensible, proactive approach to planning for new retail floorspace including recognising the role the Retail Parks can, and do, play meeting floorspace demand.

Table 1: Convenience Overtrading

Total Available Convenience Expenditure (£m)	Market Share (%)	2016	2021	2031	Floorspace (m ²)
		Actual Turnover (£m)			
		2016	2021	2031	
		453.21	474.67	527.82	
Asda, Ventura Retail Park	12.1%	54.84	57.44	63.87	4,413
Sainsbury's, Bitterscote Drive	12.5%	56.65	59.33	65.98	4,449
Morrisons, Hilmore Way	10.6%	48.04	50.32	55.95	3,435
Total		159.53	167.08	185.79	

Notes:

Market shares calculated from turnovers in Appendix 7A, TTCRS 2011.

Total available convenience expenditure taken from Appendix 4A, TTCRSU 2014.

Town centre floorspace figure taken from latest Goad Centre Report (assuming 70% net:gross). Store floorspace figures taken from paragraph 7.7, T Company average sales densities for stores are taken from Verdict 2014 rebased to 2009 prices.

Allows for 0.1% p.a increase in floorspace efficiency in benchmark turnovers between 2021 - 2031 as per assumptions in the TTCRSU 2014.

Table 2: Comparison Overtrading

Total Available Comparison Expenditure (£m)	Market Share (%)	2016	2021	2031	Floorspace (m ²)
		Actual Turnover (£m)			
		2016	2021	2031	
		812.52	924.54	1261.35	
Tamworth town centre	18.2%	147.88	168.27	229.57	14,619
Ventura/Jolly Sailor Retail Parks	30.6%	248.63	282.91	385.97	40,712
Total		396.51	451.18	615.54	

Notes:

Market shares calculated from turnovers in Appendix 7B, TTCRS 2011.

Total available convenience expenditure taken from Appendix 4B, TTCRSU 2014.

Town centre floorspace figure taken from latest Goad Centre Report (assuming 70% net:gross). Retail Park floorspace taken from Aucott records.

Benchmark sales density are taken from Appendix 4B, TTCRSU 2014.

Allows for 2.0%p.a increase in floorspace efficiency in benchmark turnovers as per assumptions in the TTCRSU 2014.

Sales Density (£/m ²)	Benchmark Turnover (£m)			Overtrading (£m)		
	2016	2021	2031	2016	2021	2031
11,567	51.05	51.05	51.56	3.79	6.39	12.31
10,554	46.95	46.95	47.43	9.70	12.38	18.55
11,141	38.27	38.27	38.65	9.77	12.05	17.30
	136.27	136.27	137.64	23.26	30.81	48.15

TCRS 2011.

Sales Density (£/m ²)	Benchmark Turnover (£m)			Overtrading (£m)		
	2016	2021	2031	2016	2021	2031
5,000	74.56	82.32	100.34	73.32	85.95	129.22
3,000	124.58	137.54	167.67	124.05	145.36	218.31
	199.14	219.86	268.01	197.37	231.31	347.53

TAMWORTH LOCAL PLAN EIP

Commentary on economic impact of retail parks

Introduction

The *Tamworth Town Centre and Retail Study Update* of February 2014 states at paragraph 6.22 that “large scale out-of-centre development has harmed the vitality and viability of the town centre.” However, the *Tamworth Town Centre and Retail Study Update* provides no evidence to substantiate this assertion. It also fails to recognise the economic benefits generated by the retail parks and, as a result, does not present a balanced assessment of the current position.

In this note Indigo Planning aims to redress the imbalance by considering the very significant positive contribution to the Tamworth economy made by the retail parks immediately to the south west of the town centre.

Tamworth retail parks

The evaluation is based on the following retail parks close to Tamworth town centre:

- **Cardinal Point** – a total of 80,000 square feet gross internal area (GIA) occupied by the following retailers: B&Q; Next at Home; Maplin; Carpet Right; Oak Furnitureland; and Bensons;
- **Jolly Sailor Retail Park** – a total of 131,844 square feet GIA occupied by the following retailers: TK Maxx; Argos; Pets at Home; Poundland, Brantano Shoes; and Sainsbury’s;
- **Ventura Court** – a total of 11,873 square feet GIA occupied by the following food operators: Nandos; Costa Coffee; Pizza Express; and McDonalds; and
- **Ventura Retail Park** – a total of 558,102 square feet GIA occupied by the following retailers: John Lewis At Home; Homebase; Halfords; Poundstretcher; Currys; Mothercare; Toys R Us; Matalan; Boots; H&M; Sports Direct; Outfit; River Island; Next; WH Smith; Blacks; Hobbycraft; New Look; Costa Coffee; KFC; Asda; and Marks & Spencer.

Employment at Tamworth retail parks

The Tamworth retail parks are major employers which create very significant gross value added (GVA) to the local economy.

In order to assess the scale of these benefits Indigo Planning has estimated the employment at the Tamworth retail parks by drawing on advice provided by the *Employment Densities Guide* (second edition of 2010). Employment density describes the average floor space in square metres per person in an occupied building and is therefore an indication of how much space each person occupies in the workplace.

Indigo Planning has estimated the current floorspace for each of the 38 retail units described above using published data. In order to reality check the employment estimates generated by the evaluation, Indigo Planning has considered a number of different scenarios which provide sensitivity tests for the key assumptions underlying the analysis. The four main scenarios considered are as follows:

- **Scenario 1** – assumes that net internal area (NIA) is 80% of GIA. Scenario 1 applies the employment densities for retail uses provided by the *Employment Densities Guide* 2010. These assumptions generate an estimate of **3,055 full-time equivalent employees** across the 38 retail units under consideration;

- **Scenario 2** – also assumes that net internal area (NIA) is 80% of GIA. Scenario 2 applies a sensitivity test on employment density by assuming that employment density for non-food retail is a more conservative 38 metres per FTE employee, compared with the 19 metres per FTE employee recommended by the *Employment Densities Guide 2010*. This sensitivity test reflects the likelihood that retail uses in this location will be less densely staffed than those in a town centre location. These assumptions generate an estimate of **1,935 full-time equivalent employees** across the 38 retail units under consideration;
- **Scenario 3** – assumes that net internal area (NIA) is 70% of GIA. Scenario 3 applies the employment densities for retail uses provided by the *Employment Densities Guide 2010*. These assumptions generate an estimate of **2,762 full-time equivalent employees** across the 38 retail units under consideration; and
- **Scenario 4** – provides a cumulative sensitivity test incorporating the most conservative assumptions in scenarios 2 and 3. Scenario 4 therefore assumes that net internal area (NIA) is 70% of GIA. Scenario 4 also assumes that employment density for non-food retail is a more conservative 38 metres per FTE employee, compared with the 19 metres per FTE employee recommended by the *Employment Densities Guide 2010*. These assumptions generate an estimate of **1,781 full-time equivalent employees** across the 38 retail units under consideration.

Based on this analysis, Indigo Planning estimates that the 38 food and non-food retail units across the four Tamworth retail parks currently employ between 1,781 and 3,055 full-time equivalent workers. The estimated range is a relatively broad one which reflects the conservative assumptions made in the sensitivity tests applied by Indigo Planning.

Gross value added by the Tamworth retail parks

The employment at the Tamworth retail parks will have wider economic effects by generating gross value added to the local economy.

The Office for National Statistics defines Gross Value Added (GVA) as “the contribution of each individual producer, industry or sector to the economy.” GVA can be estimated at either an aggregate (or macro) level or at an individual producer (or micro) level, as follows:

- **At macro level** – GVA measures the value of output (goods and services) produced in the economy minus the cost of raw materials and other inputs used to produce them; and
- **At micro level** – GVA measures the value of output generated by a producer minus the costs associated with the production of the output.

Taking a simple example at micro level, the GVA from the production of a new car would be estimated as follows:

- Assume the sale of the finished car generates £10,000 in sales revenue. This is the value of the output from the production of the car;
- Assume the costs associated with the production of the car are £8,000. These costs are referred to as “intermediate consumption” and include things such as the cost of materials used to build the car, plant rental, utilities, insurance, marketing costs etc;
- The GVA for the car manufacturer is estimated as output minus the cost of intermediate consumption. In this example, the micro level GVA would be £10,000 minus £8,000 equals £2,000.

In order to estimate the GVA created by the Tamworth retail parks, Indigo Planning has drawn on data provided by the Office for National Statistics. Detailed information on GVA per job filled is provided by the Regional Economic Analysis Sub-regional productivity tables published in February 2015. Table D1 reveals that GVA per filled job for the West Midlands region was £41,636 in 2012, the most recent year for which data is currently available.

Data on GVA per filled job is also available at a more granular level for Staffordshire. Table D1 reveals that GVA per filled job for Staffordshire was £38,878 in 2012, the most recent year for which data is currently available.

Based on this evidence, Indigo Planning estimates that the employment at the Tamworth retail parks generates gross value added (GVA) of between £69.2 million and £118.8 million annually.

The Regional Economic Analysis Sub-regional productivity tables do not provide GVA per filled job by industry sector. The GVA per filled job for Staffordshire of £38,878 in 2012 covers all sectors. This means that it will slightly overstate the GVA for retail jobs which will typically be lower than the values for manufacturing industries.

Nevertheless, the Tamworth retail parks will still make a very considerable contribution to the gross value added in the local economy.

Benchmarking exercise

In order to reality check the estimates of employment at the Tamworth retail parks, Indigo Planning has undertaken a benchmarking exercise against employment levels at regional shopping centres elsewhere in the country. In doing so, Indigo Planning has drawn on research on *The Economic Effects of Regional Shopping Centres* published by the Journal of Retail and Leisure Property in 2007. Table 1 below shows the results of this benchmarking exercise.

Table 1 – Employment levels at regional shopping centres and Tamworth

Location	Floor space in square metres GIA	Floor space in square metres NIA	Total permanent jobs	Employment density per square metre
Braehead, Renfrewshire	55,000	44,000	3,600	12.2
Lakeside, Essex	125,000	100,000	6,500	15.4
Cribbs Causeway, Bristol	69,680	55,744	5,950	9.4
MetroCentre, Gateshead	165,360	132,288	8,000	16.5
Tamworth retail parks	80,171	64,137	2,418	26.5

Table 1 assumes that net internal area is 80% of gross internal area. It also takes the mid-point of the range of 1,781 to 3,055 jobs as the employment figure for the Tamworth retail parks. Table 1 demonstrates that regional shopping centres with significant floor spaces are major employers. It also reveals that Indigo Planning’s employment estimate for the Tamworth retail parks is both credible and on the conservative side. For example, Cribbs Causeway has a comparable floor space to the Tamworth retail parks but employs 2.5 times as many people.

Multiplier effects

The employment at the Tamworth retail parks will provide further benefits to the local economy in Tamworth through the following multiplier effects:

- **An indirect multiplier** – will create supply chain effects which will benefit local firms such as cleaning and maintenance contractors, training agencies and other suppliers of goods

and services to occupiers at the Tamworth retail parks. This effect is also known as a supply linkage multiplier; and

- **An induced multiplier** – is associated with increased expenditure in the local area by people deriving incomes from the direct and indirect effects of the development. The induced effects of the Tamworth retail parks will bring benefits to local restaurants, cafes and other service providers. This effect is sometimes referred to as a consumption multiplier.

Indigo Planning has not attempted to model the scale of these multiplier effects. However, it is important to note that these multiplier effects will bring real economic benefits to the local economy in Tamworth.

In *The Economic Effects of Regional Shopping Centres 2007* the researchers estimate that these multiplier effects will generate an additional 20 to 30 jobs for each permanent job at a regional shopping centre. This represents a combined indirect and induced multiplier effect of between 1.2 and 1.3.

In the *Additionality Guide* (fourth edition of 2014) published by the Homes and Communities Agency, the advice provided points to the use of a neighbourhood level combined multiplier of 1.1 and a regional level combined multiplier of 1.5 in cases where there are typical supply chain linkages in place.

Local employment benefits

This note has demonstrated that the Tamworth retail parks are very significant employers. It is crucial to note that these employment benefits will accrue directly to residents of Tamworth Borough Council since a very high proportion of retail jobs are held by people living very close to their place of work.

Indigo Planning's experience of working with major national food store operators is that between 85% and 90% of employees typically live within 5 km of their place of work. This experience is borne out by the findings of *The Economic Effects of Regional Shopping Centres 2007* which notes that "the other noticeable feature of the jobs provided by the regional shopping centres is that they are filled primarily by local residents."

Summary

The *Tamworth Town Centre and Retail Study Update* of February 2014 states that "large scale out-of-centre development has harmed the vitality and viability of the town centre" but fails to provide any evidence to substantiate this claim. The *Retail Study Update* also fails to recognise the economic benefits generated by the retail parks and, as a result, does not present a balanced assessment of the current position.

In this note Indigo Planning has redressed the imbalance by considering the very significant positive contribution to the Tamworth economy made by the retail parks immediately to the south west of the town centre.

The main economic benefits of the Tamworth retail parks can be summarised as follows:

- **Employment generation** – Indigo Planning estimates that the 38 food and non-food retail units across the four Tamworth retail parks currently employ between 1,781 and 3,055 full-time equivalent workers;

- **Gross valued added** – Indigo Planning estimates that the employment at the Tamworth retail parks generates gross value added (GVA) to the local economy of between £69.2 million and £118.8 million annually;
- **Employment multiplier effects** – there will be indirect and induced employment multiplier effects which are likely to create additional local employment of at least 10% of the employment levels at the Tamworth retail parks; and
- **Local employment** – the employment at the Tamworth retail parks will directly benefit Tamworth borough residents since a very high proportion of retail jobs are typically taken up by people living close to their place of work.

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