SM_0170_003

8th September 2020

Polly Harris-Gorf
Planning Department
South Holland District Council
Council Offices
Priory Road
Spalding
PE11 2XE

Dear Polly,

Planning Application H04-0208-20 - Erection of 2 No. Retail Units, Car Park, Landscaping and Associated Works on Land East of Church Street and South of Bicker Road, Donington

Retail Impact Appraisal

Further to our recent correspondence regarding this application, I note that officers have requested an assessment of the proposals in the context of Policy 24 of the Local Plan which sets out the retail hierarchy for the plan area, in accordance with paras. 85-90 of the National Planning Policy Framework.

Policy 24 sets out the following requirements applicable to the current proposals:

> **…a robust assessment of impact on nearby town centres will be required for any retail proposal that: […]**
> **2. provides a retail floor space of 250sqm (net) or more outside Spalding town centre boundary and the District and Local Centres (for Kirton within Boston Borough and for all other town centres within South Holland District).**

The proposed development comprises a retail unit amounting to 394 sqm gross floorspace and 280 sqm net sales area, and a second smaller unit of 73 sqm gross (approx. 50 sqm net). The scheme as a whole is not significantly above the minimum 250 sqm threshold set out in Policy 24. The following appraisal provides an assessment of the scheme in accordance with the requirements of Policy 24, with due consideration to the relevant requirements of the NPPF.

The NPPF Sequential Test

Before proceeding to the issue of retail impact, it is appropriate to consider the scheme in the context of the NPPF sequential test for town centre development. NPPF para. 86 states that:

> **Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.**

In this case, the application of the sequential test is relatively straightforward. The Town Centre Boundary and Primary Shopping Area in Donington are tightly defined, such that there are no sites within the existing centre that could accommodate the proposals, either via extensions to existing stores or in the form of a new development. Accordingly, there no available sites within the defined centre, and edge of centre locations should be considered. For retail purposes the NPPF defines edge of centre as *"a location that is well connected to, and up to 300 metres from, the primary shopping area."* The application site is located 260m from the nearest boundary of the Primary Shopping Area via a direct pedestrian route along Church Street, and therefore comprises an edge of centre location and the most appropriate site to accommodate the development in the terms of the NPPF sequential test.

Retail Impact

The most recent Retail Capacity Study undertaken on behalf of the Council was published in December 2013. Whilst this is clearly overdue for an update, several factors including the slowdown in economic growth at national level over the period have meant that key fundamentals have not experienced significant change. The findings of the study therefore remain broadly applicable, sufficient to underpin the policies of the 2019 Local Plan and for the purposes of assessing a development of the scale proposed in this case.

Whilst the population projections used in the 2013 Study are based on the most recent census, the projected convenience retail spend per capita used in the study (£1,870 in 2018) is notably lower than that reported in 2019 by CACI at £2,300 for 2018, projected to remain largely flat before dropping slightly to £2,298 in 2024. On the other hand, the estimate for Special Forms of Trading (SFT) is likely to have been too low due to faster than expected growth of online retailing. In any case it is clear that the figures applied for Donington (Zone 3) in the 2013 Study provide a 'best case scenario' for total convenience spend, as the factors outlined above indicate that the total spend for the area is certainly higher than projected. Accordingly, the study figures provide a robust basis for this assessment, given the relatively small scale of the proposals.

The 2013 Study (Table 3) projects total convenience goods expenditure in Donington (Zone 3) of £15.76m in 2021 (store opening), rising to £16.27m by 2026 by which time the store will have reached trading maturity. Table 16 sets out the breakdown of trade draw per store for each zone in 2013. At that time the Co-op at Market Place was drawing £1.2m (**8%**) of convenience spending generated in Donington, and other small retail was drawing £0.26m (**1.7%**). The majority of spending generated in Donington was flowing to out of centre stores, chiefly Morrisons at Warden Tree Lane, Spalding drawing £5.27m (**35%**) and Tesco at New Hammond Beck Road, Boston drawing £1.73m (**11.6%**). In total, out of centre stores at Spalding and Boston were drawing £7.8m or **52%** of spending generated within Donington (Zone 3).

There has been no significant change to the retail offer within Donington since 2013, and aside from the current proposals there are no planned or committed stores. Meanwhile, Morrisons at Pinchbeck and Tesco at Boston remain the dominant out of centre stores, and it is therefore likely that the proportions of trade draw remain largely unchanged since the time of the 2013 Study. Of the projected convenience expenditure of **£15.76m** from Donington in 2021, it is likely that around **£8.2m** is now being captured by the out of centre stores. If the Co-op at Market Place and other stores in Donington have maintained their share at 9.7% they will be drawing only **£1.53m** of the spending generated in the area.

Based on reasonable estimates of sales density for a local scale convenience store, the proposed development with a total net sales area of 353 sqm would represent a benchmark turnover of approximately **£2.3m**. This represents only 28% of the spending currently being drawn out of Donington by out of centre stores. The very high level of expenditure being lost to out of centre stores is likely to reflect both the large excess of retail capacity, and the lack of choice and diversity in the retail offer currently available to residents. It is therefore highly unlikely that the development will significantly impact on trading at stores in Donington centre. The predominant impact of the scheme will be to claw back a proportion of the trade which is currently flowing to out of centre stores.

The application site is an edge of centre location within close proximity of the town centre boundary in Donington, at 260m via a direct pedestrian route – less than a five minute walk. By clawing back a proportion of the significant convenience spending which is currently being lost to out of centre stores, the proposal will increase the number of linked trips to other retail stores, shops and services within the defined Primary Shopping Area. As a result, the scheme will have an overall positive impact on the vitality and viability of the town centre.

Summary

For the reasons set out above, we conclude that the proposed development complies fully with the relevant requirements of Policy 24 of the Local Plan. It has also been shown that the proposals are fully in accordance with the requirements of the National Planning Policy Framework in respect of retail development, including the application of the sequential test.

The main impact of the scheme will be to claw back a proportion of the significant amount of convenience expenditure arising in Donington which is currently being lost to out of centre stores, bringing this trade back to an edge of centre site which in turn will generate increased retail activity within the Primary Shopping Area. The scheme will not result in any significant harmful impact to existing stores, but rather will increase the overall vitality and viability of the town centre via linked trips.

I trust that the assessment provided above will provide sufficient clarity on these matters. If you have any queries at all regarding the above, or any other aspect of the proposals, please do not hesitate to contact me at your convenience.

Yours sincerely,

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