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BRIEFING NOTE

Commercial Development Projects Limited **Proposed foodstore and drive-thru, South of Holbeach Road, Spalding**

Application H16-0692-25 - Retail Planning Comments

We have reviewed the retail evidence provided by Savills and provide our comments below.

In May 2024, we provided our initial comments (as part of pre-application discussions), which included:

Sequential Assessment

- Sequential assessment test is generally accepted. There are not considered any obvious sequentially preferable locations that could accommodate the foodstore and drive-thru.
- However, for completeness, please consider Westlode Car Park (if Council can confirm whether this is available)
- Please comment on other reasons for why the Wilko store is not appropriate, given that its size is close to minimum requirement for the foodstore.
- Please consider the Holland Park Sustainable Extension and whether this could include a store to perform both the local food shopping function and a more destination function.

Impact Test

- The town centre health check would be more robust if it considered not just the number of vacant units in the centres. For example, consider the composition of the town centre in terms of use and function – how does the ratio of multiple v independent stores compare to other viable centres? How reliant is the town centre on convenience retailing? Is there any information on commercial yields that support the centre as being viable and vital? (see health check indicators in Para 6 of TC PPG)
- Investment in Centres – should this include PE21 Masterplan scheme in Boston and Aldi in Holbeach – Council to confirm.
- Why use ONS population forecasts to predict population increase compared to dataset in the adopted Retail Study? It would be helpful to compare the two.
- Explain how SFT has been factored into expenditure growth. (i.e. explain why use of 'Total' expenditure rate from Experian RP Note Appendix 3 rather than 'SFT reduced')
- The trade draw forecast may underplay impact on Sainsburys – A trade draw of: Sainsbury 30%, Morrisons 25%, Tesco Holbeach 10%, Lidl Holbeach Rd 10%, Lidl Winsover Rd, 7.5%, Aldi Spalding 7.5%, Other 10% may be more appropriate?
- Turnover of store should be explained further. Has the sales density that has been used been rebased to 2018 figures? Global Data 2024 suggests M&S sales density of £12,701 (exc VAT).
- Do impacts on Tesco Holbeach use reduced turnover following Aldi Holbeach opening?

In the submitted Planning, Economic and Retail Statement, Savills has addressed some of these requests. We provide the following further comments.

- 1) **Sequential Assessment (Section 7)** – We agree that Spalding town centre and Holbeach district centre are the only 2 centres appropriate for this type of development (and should be used for the purposes of the sequential assessment). We also accept that the sequential assessment must be based

on the 'proposals' and in this case the 'proposals' include both a foodstore and drive-thru unit. It would not be appropriate to disaggregate these elements.

Further information has been provided on the suitability (or otherwise) of the South Holland Sustainable Extension and it is accepted that this cannot be considered an available or suitable alternative location at this time.

The alternative sites within the centres considered in the Retail Statement are not large enough to accommodate the foodstore and drive-thru.

Overall, and subject to the Council confirming there are no other sequential sites that need assessing, we consider that the proposals would pass the sequential test.

- 2) **Health Checks** – Limited further evidence has been provided beyond an assessment of vacancies. However, it is recognised that Spalding and Holbeach are generally well kept centres that have a broad retail offer (commensurate with their role in the shopping hierarchy) with a good range of comparison goods shops. There is limited evidence to state that the proposals would impact on existing and proposed investments into the centres.

3) **Retail Impact:**

1. The retail assessment uses the 2018 baseline figures from the Council's Retail Study for population and then projects forward using ONS population growth data. It is not clear what date these ONS projections are derived, but they predict a greater increase in population by 2030 than the Retail Study does, and therefore greater total expenditure capacity to support additional retail floorspace.

Having looked at the population census results for 2021, it does appear that the Retail Study area does have a larger population at that time than was predicted by the Retail Study when it was produced in 2020. There does seem to be some justification therefore to use the ONS projections which do not significantly increase the population by 2030 compared to the Retail Study predictions (c213,000 population compared to c209,000 population).

2. The expenditure capacity is similarly said to be calculated by using the 2018 baseline figures from the Council's Retail Study. However these figures don't appear to correspond correctly with the 2018 data within Table A11.2 of the Retail Study and this has been queried.

The 2018 figures used in Table 2 (Appendix 4) of the Savills Retail Assessment are higher than the expenditure per head figures (excluding SFT) used in the Retail Study but less than the total expenditure per head figure. The question of whether this matters is one to consider, as in my view, SFT (including internet shopping expenditure on convenience goods) shouldn't simply be 'ring fenced' from competition. It is expenditure that could be competed for.

3. This notwithstanding, Savills calculate that expenditure capacity will slightly decrease by c£19m across the whole Retail Study area in the period to 2030 – suggesting limited quantitative need for any new foodstore in Spalding. This, however, is no longer a retail planning test. The question that is to be answered is whether the proposals would give rise to significant adverse impacts on town centre vitality and viability, including consumer choice and trade in the town centre and wider catchment. It is certainly the case that a new foodstore in Spalding would deliver a wider retail offer and better consumer choice. It is whether the proposals would give rise to significant adverse impact on the town and district centres that needs considering.
4. We are content with Savills approach to redistributing the M&S turnover and using Table A11.8 of the Retail Study to calculate changes in store turnover by 2030. We also note that the study now addresses the changes to store turnovers resulting from the opening of the Aldi in Holbeach.

5. The trade draw analysis provided in Table 8 of Appendix 4 of the Savills Assessment does not take forward our suggested split at pre-application stage, but now M&S is not the guaranteed operator, it is accepted that the store may not compete as significant with Sainsbury's as we'd considered.
6. The assessment that 2.5% of trade would be drawn from both Asda and Tesco in Boston is questionable, but this is relatively inconsequential in terms of the overall assessment. Moreover, it is likely that a store in this location could attract more passing trade between Boston and Peterborough so we would be content with an assessment that considered up to 15% of trade would be drawn from outside the Retail Study catchment (rather than the 10% shown). (Para 8.20 of the Savills Statement states that 15% was predicted to originate from outside the catchment so I wonder if this was the intended proposition - albeit Table 8 of Appendix 4 doesn't in fact show this).
7. Beyond the main foodstores in the Study Area, the assessment doesn't acknowledge any trade draw from smaller convenience retailers in Spalding or Holbeach (noted as 'Spalding Town Centre (other stores)' and 'Holbeach Town Centre (other stores)' in the Council's Retail Study). It is accepted that the proposed store would predominantly draw from other foodstores in the location; and that given the presence of existing foodstores, why would customers of smaller stores in the town centre now decide to direct their expenditure to this proposed new foodstore. However, it would be helpful to test the impacts on the 'Spalding Town Centre (other stores)' if, for instance, the proposals drew just 1-2% of its trade from these smaller stores. (I'm content that the store is unlikely to draw notable trade from other stores in Holbeach).
8. The drive-thru restaurant/coffee shop is of modest size and as a separate proposition is unlikely to lead to significant adverse impact on the town centre.

Altogether, we would welcome some clarifications to the data used within the assessment and a further consideration on trade draw from smaller retailers in Spalding town centre. However, this is requested in the context that the impact assessment undertaken is generally supported and appears to show that the proposals are unlikely to result in significant adverse impacts on Spalding town centre and Holbeach district centre, while introducing a new retail offer to the wider Spalding retail catchment and enhancing choice and competition.

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