Bridgend Local Development Plan

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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr
BRIDGEND
County Borough Council

Bridgend County Borough Council Examination Rebuttal Statement

Session 8: Bridgend Convenience Retailing

Bridgend Local Development Plan

Examination

http://www.bridgend.gov.uk/ldpexamination

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Session 8 – Bridgend Convenience Retailing

Bridgend County Borough Council's Rebuttal Statement

Introduction

This rebuttal statement has been prepared by the Council in response to the Examination Statement submitted on behalf of Waterstone Estates Ltd by Mango Planning & Development (their ref. AH/110064/R0002v3, dated November 2012). As highlighted in the Council's e-mail correspondence with the Programme Officer on 22nd November, the Representor's statement did not meet the guidelines for participants inasmuch as it significantly expanded upon their client's original representations and introduced new material and evidence. As a result the Programme Officer confirmed, via e-mail on 23rd November, that the Inspector considers that for the purposes of the Session 8 hearing and his Report, the relevant considerations are to be limited to those which arise directly from the original representations and his questions.

In light of the above, in providing this response to the Representor's Examination Statement the Council has limited its rebuttal to providing additional comments on the following issues:

- Allowance for special forms of trading
- Bridgend market share
- Sequential test
- Impact

Issues raised in the Representor's statement that the Council consider relate to new evidence and do not constitute relevant considerations, and which it therefore believes do not justify or require comment, are as follows:

- Qualitative need.
- CACI population estimates.
- Per capita expenditure estimates for CACI study area.
- Proportion of spending deducted/assumed for small shops.
- Comparison of CACI Bridgend Retail Needs Study with CACI Vale of Glamorgan Retail Planning Study
- Retail capacity assessment undertaken by Mango Planning

Qn6a. What is the Council's response to the Representor's specific criticisms of the Retail Report in relation to the need convenience provision in Bridgend?

Deductions for special forms of trading

The Representor states that, assuming CACI's 12.86% deduction for special forms of trading at 2021, the total amount deducted equates to £29.1m. That is broadly correct (RPS' calculation is £29.32m), however the figure relates to the study area as a whole ie including the Maesteg and Porthcawl planning zones. For the Bridgend zone only the CACI deduction is £16.97m.

The Representor has given estimates of special forms of trading for the UK provided by Pitney Bowes, which are 1.7% at 2012 rising to 1.8% at 2021: those are Pitney Bowes estimates that assume that 90% of convenience goods internet sales are store based. However the Council's position remains as set out in our original statement: that is that the CACI estimate of SFT is too high, but that the more realistic estimates are the forecasts provided by Experian in their September 2012 Briefing Note 10.1 - 2% at 2012 rising to 3.9% at 2021. The Experian figures assume that 70% of convenience SFT is store based and we believe they are more robust than CACI or Pitney Bowes.

Existing Convenience Goods Floorspace and Turnover

The Council's position remains that set out in its original Examination Statement.

Balance of Trade / Market Share

The Council's position remains that set out in its original Examination Statement.

Qn6b. Does the proposal accord with the sequential test?

Qn6d. Could what the Representor says is the identified need be met be several smaller store convenience stores in sequentially preferable locations?

Sequential Test

In relation to the sequential test, the Representor states that PPW does not require the disaggregation of floorspace in Development Plans if a need is identified. They also quote case law of Tesco Stores Ltd v Dundee City Council.

The Council considers that, by reference to floorspace in paragraph 10.2.12 of PPW of the factors to take into account means that disaggregation should be considered as part of the development plan process. This is against a backdrop of policy statements from the Welsh Government (paragraphs 10.1.1 – 10.2.8) that supports retailing centres.

PPW states that:

"Wherever possible this provision should be located in proximity to other commercial businesses…."
"Town, district, local and village centres are the best locations for such provisions…" (Paragraph 10.1.2 refers) (Council's emphasis)

Against this context, it is inherent that development plans should push and direct new retail development to occur within town centres. This will require flexibility from the development industry in order for this to occur.

The case law referred to involves consideration of a Planning Application and not a Development Plan. If the Inspector considers there is a need for further convenience retailing then he will need to consider the most appropriate way of allocating for that need in the LDP in the context of its Regeneration-Led Spatial Strategy.

The Representor has not commented so far on how the South Wales Police HQ Site fits with that strategy, other than an inferred benefit of bringing forward the town centre police station site for development. The Council fails to see the link between the two sites other than an agreement with South Wales Police which is referred to in a letter from the Representor rather than direct evidence from the Police itself.

The Council sees this as a threat, and, rather than seemingly being held to ransom over the delivery of out-of-centre supermarket to bring forward an in-centre site (which itself could accommodate some convenience retailing), the Council would prefer to use its current very good corporate relationship with South Wales Police to bring the town centre site forward. Alternatively, the Council has the option of using its Compulsory Purchase Powers in this respect.

In Section 4 of their statement the Representor outlines the requirements of Morrison's for a 7,000 - 9,000 sq m store with a Petrol Filling Station (a new requirement from previously identified). Other than slightly reducing their 'requirements' they have not sought to apply any flexibility to their proposals.

If, as the representor states, the Council should take a 'real-world' view, then it would need to additionally take into account the requirements of other retailers, in sequentially preferable locations, to see if they have additional needs (in terms of extensions etc.) which could be best met on sites which meet national policy. This would be in addition to considering the needs of the residents of Bridgend and what their requirements are. Other than providing one further additional retailer to the area, the Council does not see how the development of the Police HQ site would give significant additional choice; particularly to those without access to a car.

If the Inspector is minded to consider that there is a need for further convenience retailing over and above that which the sites already

allocated in the LDP could accommodate (see Council's original statement) then the Council considers that the Examination should allow it time to allocate sites in the Plan to meet this need. It would be a jump in logic to immediately allocate the South Wales Police HQ site for this purpose.

Whilst there may be constraints on some sites identified in the Council's statement, it is the LPA's experience (most notably with the Asda store) that the identification of need 'concentrates the minds' of convenience retailers leading them to deliver sites in sequentially preferential locations.

Town Centre Sites

Town Centre sites are not straightforward to deliver. However, as outlined in the Council's statement, it is committed to bringing forward its regeneration programme in the town centre. The implementation of the Town Centre Masterplan is part of the Council's Improvement Objectives for 2011-2013 (BD02); the preparation and delivery of the sites is the next stage in that process which will begin once they are confirmed in an adopted LDP. The Council has already begun forming project groups to bring forward these sites. No objections have been received to the deposit LDP on the town centre sites.

In terms of the specific comments by the Representor on the sites:

Whilst Policy REG9(2) Riverside was not seen as an opportunity for significant retailing opportunity, it can accommodate additional convenience floorspace. Board's Garage, which currently occupies the eastern part of the site facing Nolton Street, could provide new retail floorspace, if the existing use for Car Sales, could be moved elsewhere. It has extant planning permission for retail development.

In respect of the Former Embassy Cinema site (REG9(3), the very small (100 sq m gross) Bargain Booze store has a temporary consent so as not to prejudice the delivery of the wider site for town centre uses.

Brewery Field

The Representor states (in paragraph 4.6 of the statement) that the Brewery Field site is an out-of-centre site and claim that the Council's suggested change to Policy REG11 at Session 7 is 'disingenuous' and does not reflect the Town Centre Masterplan which they provide at Appendix 10 of the statement.

The Council's suggested change to REG11 is for the Inspector to consider. However, it would reiterate that the Tesco, Brewery Lane site (immediately adjacent to the Brewery Field) is designated as an edge-of-centre by Policy R10 of the adopted Bridgend Unitary Development Plan (UDP).

In terms of the Bridgend Masterplan, whilst it does state that the site is outside the existing town centre boundary, it is twice referred to (on Page 28 of the Masterplan) as an 'edge-of-centre' site. In terms of the 'poor

relationship' between the site and the town centre expressed by the authors of the Masterplan, the Council believe this comment relates to the use of the site for more traditional town centre, A1 comparison uses rather than larger convenience retail provision.

It should also be noted that the Masterplan was prepared against a background of evidence where no new convenience provision was required. Had the evidence pointed to a requirement the Masterplan would needed to have reflected this and examine the best site for its provision. The Representor's themselves highlight the potential of this site to accommodate an extended Tesco store. This would be one option to pursue if a need was identified.

The Brewery Field site is 100m from the town centre boundary and 300m from Dunraven Place in Bridgend Town Centre. It also lies less than 300m of Bridgend Bus Station, giving it excellent transport links to the whole of the County Borough. The Council therefore consider that this, together with the fact that the site could provide parking facilities that serve the centre as well as a store (thus enabling one trip to serve several purposes) defines this site as edge-of-centre.

The site does not contain the Grade II listed public houses as expressed in Paragraph 4.34 of the Representor's statement; this lies outside the designation. The other constraints listed in paragraphs 4.35 and 4.36 are not considered insurmountable. The potential loss of the Brewery Field playing field is covered by Policy COM7 of the Plan, the other constraints can be overcome by flexible design, planning and negotiation with the Local Planning Authority.

District and Local Centres

The Council has not sought to identify areas within or adjacent to District and Local Centres as sequentially preferable sites. This would form part of any review that the LPA would need to undertake if further need was identified.

South Wales Police Headquarters

The Council considers that due to the topography of the site, the South Wales Police Headquarters site lends itself more to a residential scheme than a supermarket which requires a relatively flat site. No doubt, the Representor will be able to provide additional information in this regard at the examination session, by which point, the Council hopes that the intentions of South Wales Police itself will be made clear.

Qn6c. Would the proposal have an adverse effect on the vitality and viability of any centre in the listed retail hierarchy?

It is noteworthy that even though the Representor thought it appropriate to undertake their own capacity assessment, in neither of their submissions have they attempted to quantify the likely impact on centres

of the new superstore that the Representor wishes to develop on the Police Headquarters site.

The Council's position on the potential impact remains as set out in its Examination Statement. However the Representor's original objection referred to a new foodstore of 9,000sq m gross and 4,000sq m net, with no named operator. The impact tables prepared for the Council by RPS therefore modelled the impact of a store of that size, looking at two possible scenarios: one where the store had a sales density equivalent to the Bridgend average and one with a sales density equivalent to the Big 4 average. However the Representor's examination statement now refers explicitly to Morrisons as the operator, and also said that they would operate a smaller store of 7,000sq m gross and 2,800sq m net.

RPS have therefore provided additional impact tables (to be found in Appendix A) as follows:

- Rebuttal Table 11A details the turnover of the smaller format store (2,800sq m net) at the Bridgend average sales density – Scenario A.
- Rebuttal Table 11B details the turnover of the smaller format store at the Big 4 average sales density (ie the average of Tesco, Asda, Sainsbury and Morrisons) – Scenario B.
- Rebuttal Table 11C details the turnover of the smaller format store at the Morrisons company average sales density – Scenario C.
- Rebuttal Table 11D details the turnover of the full size 4,000sq m net store at the Morrisons company average – Scenario D.
- Rebuttal Table 12A models the impact of Scenario A (small format, Bridgend average sales density).
- Rebuttal Table 12B models the impact of Scenario B (small format, Big 4 average sales density).
- Rebuttal Table 12C models the impact of Scenario C (small format, Morrisons sales density).
- Rebuttal Table 12D models the impact of Scenario D (large format, Morrisons sales density).

Rebuttal Table 11D shows that if Morrisons is assumed to be the operator of the 9,000sq m gross/4,000sq m net store previously proposed by the Representor, it's benchmark convenience goods turnover will be £54.5m. That is higher than a store trading at the Bridgend average, but slightly lower than a store trading at the average of the Big 4 retailers. The impact on the town centre Asda store would be -25% and would lead that store trading at 88% of its benchmark level.

Rebuttal Table 11C shows that for a smaller Morrisons of 2,800sq m net the store's convenience turnover would be £38.2m. Rebuttal Table 12C shows the trade draw from the town centre Asda would be £9.54m, resulting in an impact of -17.3% and leaving the store trading at 96% of its benchmark level.

The above re-modelled scenarios do not alter the Council's original conclusions regarding the adverse potential impact on the vitality and viability of Bridgend town centre.

Appendix A

Bridgend Local Development Plan
Retail Needs Issues

Rebuttal Table 11A: Turnover of Proposed Development at South Wales Police HQ - Bridgend Average Sales Density (Scenario A)

	2011
Gross Floorspace (sq m)	7000
Net Convenience Floorpsace (sq m)	2800
Benchmark Convenience Goods Sales Density (£/sq m)	11632
Benchmark Convenience Goods Turnover (£m)	**32.6**

Notes:

Gross floorspace and net convenience floorspace are for smaller format option set out in Mango Planning's hearing statement (November 2012).
Benchmark sales density is the average for existing Bridgend stores, derived from Table 6.
Assumes zero increase in floorspace efficiency across the plan period.

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Rebuttal Table 11B: Turnover of Proposed Development at South Wales Police HQ - Big 4 Average Sales Density (Scenario B)

	2011
Gross Floorspace (sq m)	7000
Net Convenience Floorpsace (sq m)	2800
Benchmark Convenience Goods Sales Density (£/sq m)	14321
Benchmark Convenience Goods Turnover (£m)	**40.1**

Notes:
Gross floorspace and net convenience floorspace are for smaller format option set out in Mango Planning's hearing statement (November 2012).
Benchmark convenience goods sales density is the average of Tesco, Asda, Sainsbury's and Morrisons (as derived from Verict's 2010 Grocers report.
Assumes zero increase in floorspace efficiency across the plan period.

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Rebuttal Table 11C: Turnover of Proposed Development at South Wales Police HQ - Wm Morrison Average Sales Density (Scenario C)

	2011
Gross Floorspace (sq m)	7000
Net Convenience Floorpsace (sq m)	2800
Benchmark Convenience Goods Sales Density (£/sq m)	13628
Benchmark Convenience Goods Turnover (£m)	**38.2**

Notes:
Gross floorspace and net convenience floorspace are for smaller format option set out in Mango Planning's hearing statement (November 2012).
Benchmark convenience goods sales density is the company average for Morrison (as derived from Verict's 2010 Grocers report.
Assumes zero increase in floorspace efficiency across the plan period.

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Rebuttal Table 11D: Turnover of Proposed Development at South Wales Police HQ - 4000sq m net store @ Wm Morrison Average Sales Density (Scenario D)

	2011
Gross Floorspace (sq m)	9000
Net Convenience Floorpsace (sq m)	4000
Benchmark Convenience Goods Sales Density (£/sq m)	13628
Benchmark Convenience Goods Turnover (£m)	**54.5**

Notes:
Gross floorspace and net convenience floorspace taken from Mango Planning LDP Deposit Draft representations.
Benchmark convenience goods sales density is the company average for Morrison (as derived from Verict's 2010 Grocers report.
Assumes zero increase in floorspace efficiency across the plan period.

Bridgend Local Development Plan
Retail Needs Issues

Rebuttal Table 12A: Pattern of Trade Diversion and Impact - Assumes 2800sq m net Store Trading at Bridgend Average Level (Scenario A)

	Actual Convenience Goods Turnover (£m)	Estimated Trade Diversion from Proposed Store (%)	(£m)	Resultant Turnover (£m)	Impact (%)	Benchmark Convenience Goods Turnover (£m)	Resultant Turnover as Percentage of Benchmark (%)
Asda, Bridgend	55.23	25%	8.14	47.08	-14.7	47.39	99.36
Tesco Extra, Bridgend	60.90	40%	13.03	47.87	-21.4	43.50	110.05
Sainsbury, Bridgend	32.99	10%	3.26	29.74	-9.9	44.38	67.01
Tesco, Bridgend	18.31	5%	1.63	16.68	-8.9	28.29	58.98
Other stores in Bridgend	-	10%	3.26	-	-	-	-
Others stores outside Bridgend	-	10%	3.26	-	-	-	-
TOTAL	**-**	**100%**	**32.57**	**-**	**-**	**-**	**-**

Notes:

Table 6 and 7.
RPS estimates

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Rebuttal Table 12B: Pattern of Trade Diversion and Impact - Assumes 2800sq m net Store Trading at Average Level of the Big 4 Retailers (Scenario B)

	Actual Convenience Goods Turnover (£m)	Estimated Trade Diversion from Proposed Store (%)	(£m)	Resultant Turnover (£m)	Impact (%)	Benchmark Convenience Goods Turnover (£m)	Resultant Turnover as Percentage of Benchmark (%)
Asda, Bridgend	55.23	25%	10.02	45.20	-18.2	47.39	95.39
Tesco Extra, Bridgend	60.90	40%	16.04	44.86	-26.3	43.50	103.13
Sainsbury, Bridgend	32.99	10%	4.01	28.98	-12.2	44.38	65.31
Tesco, Bridgend	18.31	5%	2.00	16.31	-10.9	28.29	57.64
Other stores in Bridgend	-	10%	4.01	-	-	-	-
Others stores outside Bridgend	-	10%	4.01	-	-	-	-
TOTAL	**-**	**100%**	**40.10**	**-**	**-**	**-**	**-**

Notes:

Table 6 and 7.
RPS estimates.

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Rebuttal Table 12C: Pattern of Trade Diversion and Impact - Assumes 2800sq m net Store Trading at Morrison Company Average Level (Scenario C)

	Actual Convenience Goods Turnover (£m)	Estimated Trade Diversion from Proposed Store (%)	(£m)	Resultant Turnover (£m)	Impact (%)	Benchmark Convenience Goods Turnover (£m)	Resultant Turnover as Percentage of Benchmark (%)
Asda, Bridgend	55.23	25%	9.54	45.69	-17.3	47.39	96.41
Tesco Extra, Bridgend	60.90	40%	15.26	45.64	-25.1	43.50	104.91
Sainsbury, Bridgend	32.99	10%	3.82	29.18	-11.6	44.38	65.75
Tesco, Bridgend	18.31	5%	1.91	16.40	-10.4	28.29	57.99
Other stores in Bridgend	-	10%	3.82	-	-	-	-
Others stores outside Bridgend	-	10%	3.82	-	-	-	-
TOTAL	**-**	**100%**	**38.16**	**-**	**-**	**-**	**-**

Notes:

Table 6 and 7.
RPS estimates.

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Rebuttal Table 12D: Pattern of Trade Diversion and Impact - Assumes 4000sq m net Store Trading at Morrison Company Average Level (Scenario D)

	Actual Convenience Goods Turnover (£m)	Estimated Trade Diversion from Proposed Store (%)	(£m)	Resultant Turnover (£m)	Impact (%)	Benchmark Convenience Goods Turnover (£m)	Resultant Turnover as Percentage of Benchmark (%)
Asda, Bridgend	55.23	25%	13.63	41.60	-24.7	47.39	87.79
Tesco Extra, Bridgend	60.90	40%	21.80	39.10	-35.8	43.50	89.87
Sainsbury, Bridgend	32.99	10%	5.45	27.54	-16.5	44.38	62.07
Tesco, Bridgend	18.31	5%	2.73	15.59	-14.9	28.29	55.10
Other stores in Bridgend	-	10%	5.45	-	-	-	-
Others stores outside Bridgend	-	10%	5.45	-	-	-	-
TOTAL	**-**	**100%**	**54.51**	**-**	**-**	**-**	**-**

Notes:

Table 6 and 7.
RPS estimates.