

HEARING STATEMENT TO MATTER 10
CORE POLICY 7: RETAIL

Question 10.1. Flexibility.

Is Core Policy 7 too prescriptive as to the form of development that will take place at Maltings/Central Car Park?

1. Our detailed representations made to the Submission Version of the Core Strategy raised concern that the detail of the design requirements in Core Policy 7 is too prescriptive for a Core Strategy policy and would be more appropriately provided in a Development Brief or Masterplan SPD for the site.
2. This Strategic Site is integral to enhancing Salisbury's role as a Strategically Significant City and addressing the leakage of trade to competing centres such as Southampton and Bournemouth. For this reason the Core Strategy must ensure its policy support does not provide additional, unnecessary obstacles to its delivery.
3. With the long timescales related to the delivery of this site, flexibility will be needed as to the form of development to take place to ensure it can deal with changing circumstances. As PPS12 advises the need for frequent updating will be reduced by providing some flexibility (see paragraph 4.14).
4. Policy CP7 seeks the provision of "*around 200 residential units*" which the Housing Trajectories at Appendix 8 to the Core Strategy identify as being delivered during 2012-2016. This is too prescriptive given that 200 residential units will be undeliverable by the point envisaged (see our response to Question 10.2). Instead the policy should seek an aspiration for residential use.
5. The Policy also refers to "*no net loss of food retail*" which is too prescriptive for a comparison led scheme.
6. In any event we consider a foodstore to be inappropriate on the site and thus the prescriptive reference to convenience floorspace should be removed. Attempting to incorporate even replacement, large-scale, supermarket or superstore floorspace, as part of a new, major comparison goods destination within a sub-regional centre, will have fundamental impacts on the commercial attractiveness of any such proposal. Foodstores create a trading environment and tone that is not compatible with serious comparison shopping; retailers attach great importance not just to the identity of their immediate neighbours but also to the overall profile of the centre, since it is the collective offer that determines the attractiveness to the shopping public. A

foodstore will therefore affect the viability and thus deliverability of the scheme.

7. Furthermore food use imposes significant demands on any site in terms of floorspace, parking and servicing needs. This is likely to cut down on the amount of space available for comparison goods shopping and tenants are also conscious of the risk that parking provision will end up dominated by people shopping there, rather than in the centre as a whole.
8. The Practice Guidance accompanying PPS4 emphasises the need for LPAs to make best possible use of scarce city centre sites (paragraph 6.10) and consider the relative priorities and needs of different main town centre uses, particularly recognising their differing operational and market requirements (paragraph 6.9). The priority for the site must be to encourage the comparison goods offer to enhance its role in the sub region.
9. In addition to our proposed changes made at the Submission Stage (see Appendix A) we therefore recommend the following proposed wording to make the policy more sound:
 - *“around 200 residential units residential use”*.

Question 10.1a Retail Evidence Base.

Is the approach and assumptions used to inform the study's findings on retail capacity appropriate? Have the findings been appropriately presented?

10. Policy EC1 of PPS4 highlights the crucial role of an up to date and sound evidence base to plan positively for town centre uses. A robust evidence base is essential to ensuring the retail strategy emanating from it is sound. Paragraphs 9 to 20 of our summary representations to the South Wiltshire Core Strategy Submission Draft (30th September 2009) illustrate in detail the fundamental deficiencies in the evidence base (these can be found at Appendix B to this Hearing Statement).

11. To summarise these deficiencies relate to:

- The Household Survey
 - Issues of Statistical Significance
 - Prescriptive Use of Results
 - Rigid Basis for Shopping Behaviour
- Methodological Limitations
 - Constant Market Share Approach
 - Misapplies Overtrading/Protectionist
 - Fails to Take Account of Inflows of Retail Expenditure from Business/Tourism
- Inappropriate presentation
- Errors

12. Since submitting our representations in September 2009, we now have the benefit of "*PPS4: Planning for Sustainable Economic Growth*" and its accompanying Practice Guidance on "*Planning for Town Centres*" which were published on 29th December 2009 providing updated national guidance on retail planning.

13. Following the submission of our representations to the Submission Draft on 30th September 2009 which identified fundamental concerns regarding the soundness of the evidence base, and resultant additional convenience goods capacity, no one from the Council sought to engage with us to discuss these matters. Immediately following the Pre Hearing Meeting on 14th January 2010 we requested a meeting with the Council to discuss these concerns. We met with the Council and their retail planning consultants, GVA Grimley, on 2nd February 2010 to discuss these matters in an effort to reduce the number of issues for the Inspector to consider. Chris Goddard from GVA Grimley, David Milton, Natasha Styles and Sarah Hughes from Wiltshire Council were in attendance. The following day we provided our own retail expenditure capacity assessment to

all those in attendance at the meeting. These tables merely serve to demonstrate how if more appropriate and up to date assumptions are applied a different answer is achieved and therefore our objections have validity. The tables can be found at Appendix C.

14. With the benefit of these publications and the meeting we can provide an update on our position on these deficiencies.

The Household Survey

15. The Practice Guidance serves to reinforce our concerns regarding the statistical significance issues and the inappropriateness of prescriptively using results as a basis for shopping behaviour, as carried out in the GVA Grimley Retail Study. The Guidance advises that a minimum of 100 completed interviews per identified sub-area is recommended (paragraph B.33) and that *“these surveys can at best only give a general indication of prevailing market shares and further testing is needed during the impact analysis stage of an assessment”* (paragraph B.33).
16. Our identified deficiencies with the household survey not only remain but have been reinforced in the intervening period before the Examination.

Methodological Limitations

17. PPS4 and the accompanying Practice Guidance add weight to our concerns over the methodological limitations of the Retail Study.
18. The Practice Guidance recognises that the maintenance of current market shares may perpetuate deficiencies in the retail network, as a low market share may be indicative of a need for more or better shopping provision (paragraph 3.7). Given that Salisbury is suffering from a leakage of expenditure to competing centres such as Southampton and Bournemouth, in an effort to make the City more sustainable it is wholly appropriate to factor in changes to market share.
19. PPS4 confirms that a protectionist and thus anti-competitive position, as advocated in the GVA Grimley Retail Study, is contrary to government planning policy as *“LPAs should proactively plan to promote competitive town centre environments”* (Policy EC4) and planning *“should not be used to restrict competition or preserve existing commercial interests”* (paragraph 3.15, Practice Guidance).
20. PPS4 also confirms that overtrading, which was not accounted for, is a key factor in need analysis and thus planning authorities need to

“take into account the degree to which shops may be overtrading and whether there is a need to increase competition and retail mix” in their evidence base (Policy EC1.4.d.ii).

21. The Good Practice Guidance also confirms the importance of including business and visitor retail spending in retail assessments in a City such as Salisbury which is a popular tourist destination and a major employment area; *“inflows of retail expenditure from people living outside the assessment area are likely to be particularly significant if the assessment area contains higher level centres and/or is a popular tourist destination”* (paragraph B.27), *“visitors from the UK and overseas, may, for certain locations, be an important generator of retail expenditure* (paragraph B.27) and *“a large daily working population will generate retail expenditure. For major employment areas the spending produced by workers who live outside the survey area should be estimated and included”* (paragraph B.27). Tourism and local business spending was not taken into account in the GVA Retail Study.

22. Our identified deficiencies with the methodology of the retail study not only remain but have been reinforced in the intervening period before the Examination

Inappropriate presentation

23. Our identified deficiencies with the presentation of the results in the retail study have not been addressed by the Council in this period.

Errors in analysis

24. The errors relating to convenience goods capacity for Amesbury were rectified in the August 2009 revision to Topic Paper 8. However the issue remains that the Core Strategy was drafted with this error.

25. There are substantial deficiencies in the Study, such that it cannot be considered to be either robust or credible to appropriately justify the Core Strategy. A more robust study is necessary which would demonstrate a substantial capacity for further convenience goods floorspace to serve Salisbury. It is wholly inappropriate to follow the Council's intention to review the retail capacity as part of the Site Specific Allocations DPD (see our Hearing Statement to Matter 14).

26. In the meantime clarification is needed within the Core Strategy as to the limitations of the Study and recognition that with more appropriate approaches and assumptions greater convenience goods

expenditure capacity would be identified. This is demonstrated in our own retail analysis which was provided to the Council and their retail consultants and is appended to this Statement (see Appendix C).

27. Add the following text to paragraph 6.24 below the retail tables:

“Caution must be applied to these figures. The analysis is based on current market shares and thus, as the Study confirms, *“if new development proposals come forward above these levels, the issue of claw back (i.e. increasing market share) would need to be taken into consideration”* (paragraph 26). Additional convenience goods expenditure would be generated from increasing the market share of Salisbury making the City more sustainable. Overtrading in existing stores and tourism and local business expenditure has not been taken into account which would also identify significantly greater capacity for convenience goods in the plan period”.

28. Whilst some might consider that there could be ramifications arising from demonstrating greater convenience goods capacity and that the CS should provide for it locationally, the scale of this issue is one that can be appropriately dealt with by the Site Specific Allocations DPD or via a planning application guided by any Development Policies DPD. How the Council address the proven additional need is discussed in more detail in our response to Question 10.3.

Question 10.2 Timing.

When is it anticipated that the development at Malting/Central Car Park will take place? Is there a reasonable prospect of this occurring?

31. This is for the Council to answer and to be satisfied that there is a realistic prospect of the MCCP scheme being delivered in the lifetime of the strategy otherwise the Core Strategy will be undeliverable.
32. This Strategic Site is integral to enhancing Salisbury's role as a Strategically Significant City and addressing the leakage of trade to competing centres such as Southampton and Bournemouth. The site has been identified for retail led development for some time with the original resolution to grant planning permission in 1984. There was an opportunity in 2003 to redevelop The Maltings with a resolution to grant planning permission however the s106 was never completed and land ownership issues were unresolved.
33. A Feasibility Study of the MCCP was undertaken by Alder King and completed in July 2008. This Study is a key component of the evidence base regarding MCCP's deliverability. As such we had asked for the Study to be included as a Core Document to the Inquiry. In the meantime we have obtained a doctored version of it following a Freedom of information Act request to the Council. This version is appended to our Hearing Statement (see Appendix D).
34. The Feasibility Study concludes that there are challenges to overcome including legal and technical matters as well as the need for car parking numbers to be displaced to accommodate the new building footprint development. The Study confirms that the current economic climate is not conducive to the delivery of the project and it may take several years for the right economic climate to return.
35. Nevertheless the Council should be undertaking all the work which has been missing to date; a topographical/levels survey, a site boundary survey, an intrusive ground investigations and soil analysis and a condition survey of existing structures. Further negotiations with the Environment Agency on flooding, a review of all third party rights and easements and procurement of this land would also aid the deliverability of the site.
36. As the Retail Topic Paper confirms the challenges facing the development are now greater given that the feasibility study was "*undertaken at a time of more normal market conditions, although the downturn had started. The economic situation may led to some delays in all types of development, but on the assumption that the financial*

situation will return fairly soon to a more normal state, then progress should not be prejudiced in the longer term” (paragraph 3.40).

- 37 Complex town centre schemes such as this rarely can take less than ten years to come forward from the position found today and given that the Feasibility Study was undertaken at a time of “*more normal market conditions*” the delivery of this site is likely to be in the later plan period at the earliest.

Question 10.3. Choice of Sites.

Can the need for retail floorspace be met solely at the Maltings/Central Car Park? Does the allocation of Maltings/Central Car Park preclude the development of other retail proposals in appropriate locations which satisfy the objectives of PPS4?

38. Firstly, even the Core Strategy, which has been drafted on the basis of an underestimated convenience goods expenditure capacity recognises that *“there may be retail capacity over the plan period beyond that that can be provided on the Central Car Park/Maltings Site”* (paragraph 6.27).
39. The need for retail floorspace can not be met solely in the MCCP, for example, the need for convenience goods floorspace is greater than identified (see our representations to the Submission Draft at Appendix A, our response to Matter 10.1a and our tables at Appendix C which merely serve to demonstrate how if more appropriate and up to date assumptions are applied a different answer is achieved and therefore our objections have validity). Additional sites will need to come forward to meet this need over the plan period.
40. Convenience goods provision will not have the strategic role to play that comparison goods shopping has in making Salisbury a sub regional centre clawing back the leakage of trade to competing centres. Equally convenience goods developments do not require long lead in times, even in the current market conditions. Sites for convenience goods provision can therefore be identified at the Site Specific Allocations stage. As PPS12 advises, *“progress on the core strategy should not be held up by the inclusion of non strategic sites”* (paragraph 4.6).
41. In addition major housing developments will generate the need for local retail facilities which is recognised in the Core Strategy. Fugglestone Red and Land South of Netherhampton Road will provide local centres which are generally defined as having a small supermarket and other retail units.
42. Additional retail need will be generated by the redevelopment of the *“Eastern Gateway/Southampton Road”* which seems likely to involve the loss of 3.86ha of retail warehousing land. This retail warehouse provision will need to be re-accommodated. Accommodating retail warehousing on the MCCP would be grossly unsuitable, significantly depress the already tight viability there and would misuse one of the most important sites in the City. London Road will have a key role to play in accommodating this retail warehousing.

43. The MCCP should play a strategic role in securing comparison goods floorspace to support Salisbury's role as a retail and tourism destination.
44. As we explain in our response to Matter 10.2, the Council need to undertake further assessments and initial work to underpin the deliverability of the scheme. This will be more proactive than promoting a policy restricting retail development on any other site when the relevant PPS4 tests have been met.
45. Given that all the retail needs in the area over the plan period cannot be met by the MCCP site alone, this site cannot preclude the development of other retail proposals which cause no 'significant harmful impact' on the town centre (the test in PP54). Restricting retail development elsewhere in the District will neither serve to promote Salisbury as a retail and tourism destination nor properly meet the needs of its residents.

Question 10.4. Salisbury Retail Park.

Why is the site at London Road Salisbury (Salisbury Retail Park) not treated as a Saved Local Plan Allocation?

46. This is for the Council to answer. There will be a continuing need over the plan period for growth in retail warehousing. For example the Vision promotes the comprehensive redevelopment of Southampton Road with the creation of a new mixed use quarter and the development of an "Eastern Gateway". This could result in a 3.86ha loss in land for retail in the area which will need to be re-accommodated (see Retail Topic Paper). The loss of retail warehousing provision more than justifies London Road being allocated and used for retail warehousing. The Eastern Gateway is not a strategic site and Salisbury Retail Park would similarly not need to be a strategic site identified in the Core Strategy. It would be most appropriate to allocate this site at the Site Allocations Stage given that the provision of retail warehousing will not require long lead in times and will not play a strategic role within the District.

Question 10.5. Policy EC3 of PPS4. In the Salisbury context is it necessary to set floorspace thresholds for the scale of edge of centre and out of centre development which should be subject to an impact assessment? If so what would the geographic areas be?

47. There is already provision within PPS4 requiring an impact assessment for developments exceeding the threshold of 2,500sq.m (gross) of retail or leisure floorspace. Setting the limit too low would result in over regulation. Evidently this test only applies for sites which have already passed the sequential test and are outside the town centre as sites failing the sequential test will be refused planning permission. These proceeding tests will largely prevent inappropriate developments and direct developments for example mini warehouses to appropriate locations e.g. Southampton Road, London Road or the town centre. Only developments which have passed the sequential approach which have an appropriate role will be subject to the impact assessment. Perhaps a threshold of 1,500sq.m might be appropriate.
48. We have not identified any locally important impacts. The impact tests in PPS4 are quite far ranging. For instance one might highlight the impact on heritage as locally specific to Salisbury. However this impact is already extensively covered in PPS4 by impact on town centre vitality and viability.