

Mid Devon District Council

Retail Review of Proposals by Tesco for a New Store in Crediton

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Contents

| | Page |
|--|-------------|
| Part 1: Introduction | 1 |
| Part 2: Development Proposals | 2 |
| Part 3: Planning Policy Context | 3 |
| Part 4: Mid Devon Retail Study (2004) | 15 |
| Part 6: Review of Tesco Proposal | 26 |
| Part 7: Summary and Conclusions | 29 |

Appendices



Part 1: Introduction

Scope and Purpose

- 1.1 This report has been prepared by Savills in response to an instruction by Mid Devon District Council (MDDC) to carry out an independent review of a retail assessment submitted to accompany an outline planning application submitted by Tesco Stores Ltd for a new foodstore in Crediton.
- 1.2 The application submitted by Tesco (ref: 06/02670/OUT) is for a new foodstore as part of a mixed use development on land south of Exeter Road in Wellparks. The site lies outside the designated town centre; and straddles the settlement boundary.
- 1.3 This report comprises a critique of the retail assessment submitted based on the key retail planning policy tests as set out in Planning Policy Statement 6: Planning for Town Centres (PPS6) (March 2005). In order to test the reliability and basis of the assessment information and analysis is derived from the district-wide Retail Study prepared by GVA Grimley. The purpose of this study published by Mid Devon District Council in December 2004 was to provide essential background information to inform the Council in their preparation of their Local Development Framework for the District.
- 1.4 From our initial review of the retail assessment submitted by Burnett Planning & Development we identified a number of areas where further information was required to complete our assessment. We therefore produced a note indicating the additional information requirements (**Appendix 1**). In response to this BPD produced a supplementary retail assessment. Our assessment relates to the original assessment as modified by the supplementary assessment.
- 1.5 The proposals by Tesco are also considered against adopted and emerging national, regional and local planning policies which are set out in Part 3 of this report.
- 1.6 The purpose of this report is to help inform the Council in its consideration and determination of the planning application.



Part 2: Development Proposals

- 2.1 On 20 December 2006 Tesco Stores Limited submitted an outline planning application for the following uses on land to the south of Exeter Road (A377) in Wellparks, Crediton.

“Comprehensive mixed use development comprising foodstore, petrol filling station, car parking, family pub and restaurant, residential development (42 units and change of use and refurbishment of redundant Class B8 building to provide 6 residential units), Class B1a office use, Class B1c light industrial use, drainage works, highway works and landscaping.”

- 2.2 Access is to be determined at outline stage with layout, scale, appearance and landscaping reserved for future consideration.
- 2.3 The application that was validated by on 22nd December 2006 is accompanied by a large number of supporting documents including a Retail Assessment prepared by Burnett Planning and Development (BP&D).
- 2.4 The application forms, Retail Assessment and other supporting documents set out that permission is sought for a 5,518 sqm. (59,400 sqft.) gross foodstore. The Retail Assessment describes that the foodstore will provide a sales area of around 3,587 sqm. (38,611 sq.ft.) of which the majority, i.e. 70% or approximately 2,500 sqm. will be used for convenience goods sales, leaving approximately 1,087 sqm. for comparison goods (para. 2.32).
- 2.5 The proposal is for a new foodstore in an out of centre location on the edge of the Crediton built up area, as part of a wider comprehensive mixed use development. The development site is partly allocated for employment development within the Mid Devon Local Plan Alteration (2006), whilst the remainder of the site is shown as lying within the open countryside and within a flood plain.



Part 3: Planning Policy Context

3.1 The planning framework for the proposals is set out in a number of documents produced at a national, regional, county and local level. This section summarises the current retail planning policy framework contained within these documents including the statutory Development Plan.

National Planning Guidance

3.2 The national planning framework for retail planning is contained in Planning Policy Statement 6 (PPS6, Planning for Town Centres) published in March 2005.

3.3 The key messages of PPS6 are:

- A re-emphasis of the 'town centres first' objective;
- The need for a plan led approach at both regional and local levels;
- The need for local planning authorities to plan for growth and development of existing centres;
- Enhancing consumer choice by making provision for, and supporting, a range of shopping, leisure and local services;
- The re-emphasis of the policy tests of 'need', 'sequential approach' and 'impact' for retail proposals in out of centre locations; and
- The need to promote more sustainable patterns of development, through increasing accessibility, with less reliance on the car.

3.4 Paragraph 1.3 sets out that Government's key objectives for town centres as being to promote their vitality and viability by:

- Planning for the growth and development of existing centres; and



- Promoting and enhancing existing centres, by focussing development in such centres and encouraging a wide range of services in a good environment,

3.5 Paragraph 3.4 sets out that in the context of development control, subject to other policies within the document, local planning authorities should require applicants proposing new retail development to demonstrate:

- The need for the development;
- That the development is of an appropriate scale;
- That there are no more central sites for the development;
- That there are no unacceptable impacts on existing centres; and
- That locations are accessible.

3.6 Paragraph 3.5 sets out that as a general rule, the development should satisfy all these considerations. However, in making their decision, local planning authorities should also consider relevant local issues and other material considerations. Paragraph 3.7 advises that the level of detail and type of evidence and analysis required to address the key considerations should be proportionate to the scale and nature of the proposal.

3.7 Paragraph 3.9 sets out that need must be demonstrated for any application for a main town centre use which would be in an edge of centre or out of centre location and which is not in accordance with an up to date development plan document strategy.

3.8 Under the subheading of 'Need', Paragraph 3.10 advises that a quantitative need assessment prepared in support of a planning application should, wherever possible, be based on the assessment carried out for the development plan document, updated as required. It is also advised that the need for additional floorspace should normally be assessed no more than 5 years ahead. Paragraph 3.11 sets out that in considering need local planning authorities should consider



whether there are qualitative considerations, as described in Chapter 2, which might provide additional justification for the development.

- 3.9 Paragraph 3.12 advises that an indicative upper limit based may be set out in development plan documents to define the scale of development that is likely to be acceptable in different types of centre. The scale of development should relate to the role and function of the centre within the wider hierarchy and the catchment served. For town centres the guidance states that where a need has been identified local planning authorities should seek to identify sites in the centre, or failing that on the edge of centre, that are capable of accommodating larger format developments.
- 3.10 Under the heading 'Sequential Approach', Paragraph 3.13 states that the sequential approach to site selection should be applied to all development proposals for sites that are not in an existing centre nor allocated in an up to date development plan document. In applying the sequential approach Paragraph 3.15 requires developers and operators to demonstrate that they have been flexible about their proposed business model in terms of scale, format, car parking and scope for disaggregation. However, it also requires LPA's to be realistic and to take account of any genuine difficulties which the applicant can demonstrate are likely to occur in operating their business from a sequentially preferable site. The advice is therefore advocating a balanced approach.
- 3.11 Where it is argued that otherwise sequentially preferable sites are not appropriate for the particular development proposed, Paragraph 3.19 of PPS6 states that applicants should provide clear evidence to demonstrate why such sites are not practicable alternatives in terms of their availability, suitability or viability.
- 3.12 Paragraph 3.20 sets out that impact assessments should be undertaken for any application for a main town centre use which would be an edge-of-centre or out-of-centre location and which is not in accordance with an up-to-date development plan strategy. Paragraph 3.21 of the document states that local authorities should consider the impact of the proposal on the vitality and viability of existing centres within the catchment of the proposed development, including the likely cumulative effect of recent permissions, developments under construction and completed



developments. The factors relevant to the proposed developments which should be taken into account, particularly for proposals over 2,500 sqm gross floorspace, include the following:

- The extent to which the development would put at risk the spatial planning strategy for the area and the strategy for a particular centre or network of centres, or alter its role in the hierarchy of centres;
- The likely effect on future public or private sector investment needed to safeguard the vitality and viability of the centre or centres;
- The likely impact of the proposed development on trade/turnover and on the vitality and viability of existing centres within the catchment area of the proposed development and, where applicable, on the rural economy (an example of a positive impact might be if development results in clawback expenditure from the surrounding area);
- Changes to the range of services provided by centres that could be affected;
- The likely impact on the number of vacant properties in the primary shopping area; and
- Potential changes to the quality, attractiveness, physical condition and character of the centre or centres and to its role in the economic and social life of the community.

Development Plan

3.13 Following the commencement of the Planning and Compulsory Purchase Act 2004 major changes have been made to the Development Plan process. The Development Plan covering Mid Devon currently comprises of three documents: the interim Regional Spatial Strategy for the South West (adopted RPG10), the adopted Devon Structure Plan and the adopted Mid Devon Local Plan First Alteration. In due course these documents will be replaced by a new style Regional Spatial Strategy (RSS) for the South West and a Local Development Framework (LDF) covering Mid Devon District.



Interim Regional Spatial Strategy (RSS)

3.14 Regional Planning Guidance for the South West (RPG10) adopted in September 2001 has been adopted as the interim Regional Spatial Strategy for the Region. RPG10 encourages local planning authorities to consider the following factors in preparation of their development plans:

- Seek to locate retail uses which attract large numbers of people in the centres of the Principal Urban Areas (PUAs) and in the other designated centres for growth specified in the spatial strategy; (None of the settlements in Mid Devon are designated as centres for growth)
- Encourage town centre developments of an appropriate scale in the market towns and larger settlements elsewhere in the region in keeping with their size and function and that can help to reduce the need to travel and encourage journeys by modes other than the private car; and
- Ensure the vitality and viability of existing centres is maintained, by assessing the need for new development and by applying the sequential test. For convenience provision, RPG10 advises that a distribution of provision should be maintained, that minimises the lengths and frequency of trips.

3.15 Policy EC6 deals with town centres and retailing and sets out the key considerations that should be taken into account in determining application for retail development. The items set out are similar to those contained within PPS6 and its predecessor PPG6 under which RPG10 was prepared.

Devon Structure Plan 2001 – 2016 (adopted 2004)

3.16 The retail planning policies in the Devon Structure Plan generally reflect national planning guidance (which was PPG6 at the time of publication) including the need to



ensure that new development is provided in accordance with the sequential approach. In all cases, Policy SH1 requires that new retail development should:

1. Be consistent with the need to maintain and enhance the function of existing town centres;
2. Not adversely affect the vitality and viability of an existing shopping centre;
3. Be consistent with the need for urban regeneration, particularly the revitalisation of town and city centres;
4. Be readily and conveniently accessible by public transport, cyclists and pedestrians;
5. Be sited so as to reduce the need to travel by car; and
6. Be well related to, but not adversely affect, residential areas.

3.17 Policy SH2 states that there is a need to recognise the hierarchy of different centres when making provision for new investment. Crediton is identified as an Area Centre in the Policy. A range of shopping facilities should be maintained within these centres to sustain and enhance their role within the settlement hierarchy.

Mid Devon Local Plan First Alteration (adopted 2006)

3.18 The Mid Devon Local Plan First Alteration was adopted in July 2006 and covers the period to 2011. Section 7 deals with retail policy. As with RPG10 and the Structure Plan it was prepared in the context of PPG6 the predecessor to PPS6. However, the policy thrust behind government policy remains broadly the same between these two documents.

3.19 In accordance with guidance in the Devon Structure Plan Crediton is classified as an Area Centre which reflects Crediton's size and status as a town serving the western part of Mid Devon, with an extensive rural hinterland.

3.20 The Plan has a specific section on the town of Crediton. The development strategy for Crediton in respect of retail planning centres upon the need to allocate a site for



a foodstore of sufficient size to claw back lost trade in a location as well related to the town centre as possible.

3.21 This section of the Plan covering Crediton also sets out a number of proposals to inform and support this overall development strategy, as follows:

- The Plan seeks to offer more shops and services near to where people live or at least where they can reach public and private transport which involves better and more intensive use of existing town centres.
- Crediton Town Centre retail offer is described as small scale provision which does not provide for main shopping requirements. The existing Somerfield store in the Town is identified as the one main foodstore, however, it is recognised that this store is not of sufficient quality and size to counteract competing shopping provision in other towns and Crediton therefore lacks a foodstore of sufficient size to provide the range and quality of produce that modern shoppers seek. To fail to meet this demand in the town would lead to increased “leakage” of trade to other towns, including Exeter.
- Crediton, as a market town, is identified as central to economic regeneration. It is stated that the town and town centre will need to be a focus to attract inward investment either directly and indirectly. The town’s population continues to rise quite significantly and catchment expenditure is forecast to grow, which could support about 700sqm. net additional retail floorspace.
- As a result of population and expenditure growth, the identified lack of quality foodstore provision in the town and consequent leakage of expenditure, it is recognised that there is a need to reinforce the retail role of Crediton and it is proposed to pursue the development of a new foodstore in the town.
- A foodstore proposal must satisfy the “sequential test” and other policy requirements. This requires that sites in the town centre are considered first, followed by sites within walking distance of the town centre, and only then sites a further distance away.



- The Local Plan has undertaken a sequential test in Crediton to examine any potential sites that could be developed to meet the identified need for a new foodstore. The Plan states that there are no suitable sites which are currently available either within or adjacent to the town centre. The Plan concludes that a choice between out of centre proposals is therefore necessary and, under Policy CRE1 (East Town) allocates the existing Somerfield site with additional adjacent land for redevelopment to accommodate the following uses:
 - Food retail (maximum 3,000 sqm gross floor area); and
 - Residential (target of 20 dwellings of which 40% are affordable, consistent with good design and other policies of the plan).
- The supporting paragraphs to Policy CRE1 advise that the gross retail floorspace of 3,000sqm. is assumed to represent net retail floorspace of 2,000sqm.
- In terms of impact, the Council conclude that since the allocated includes an existing foodstore, then the expansion of Somerfield to an appropriate modern size will inevitably have less impact than the development of a new foodstore in another out of centre location. Nevertheless, the Policy CRE1 requires any planning application to include an impact assessment, covering the impact of a proposal on the vitality and viability of the town centre and travel implications.

Emerging Policy

Regional Spatial Strategy (RSS)

- 3.22 The RSS for the South West will provide the strategic planning framework for growth across the region until 2026. The policies in the Strategy will guide the preparation of all Local Development Framework documents prepared at a local level.
- 3.23 A draft version of the RSS was published for public consultation in June 2006. An Examination in Public is expected to be held between April and June 2007. After the Examination, an independent Panel will submit a report of its findings to the Deputy Prime Minister at the end of 2007. The binding Proposed Changes to the Draft RSS



are likely to be published at the end of 2007. The changes will be subject to a further 8 week consultation period. The RSS will then be reviewed in light of the consultation responses and the final version is expected to be published in early 2008.

- 3.24 Until the RSS is adopted RPG10 (or interim RSS) will remain the relevant planning guidance for the Region. The draft version does have weight as a material consideration in development control decisions, however, its weight is limited until it has been tested by the independent Panel.
- 3.25 The draft RSS re-emphasises the 'centres first' approach to retail planning. Development Policy B in the draft Strategy (Development at Market Towns) sets the planning framework for development in towns that, based on an analysis of roles and functions, fall under specific criteria to be defined as a 'Market Town' and would therefore be the focal points for 'locally significant development'.
- 3.26 The Policy states that the scale and mix of development should increase self-containment of the places identified, develop their function as service centres especially in terms of employment and service accessibility, and secure targeted development which can address regeneration needs.
- 3.27 Policy TC1 (City and Town Centres) in the Strategy states that in order to meet the needs of local communities within the region, the aim is to ensure that the vitality and viability of the region's existing network of towns and city centres is maintained and enhanced. In doing so, it will be important to ensure that such centres are not adversely affected by inappropriate development elsewhere and that provision is made for a mix of uses within town centres, including retail

Local Development Framework (LDF)

- 3.28 As part of the emerging Local Development Framework (LDF), the Council have published a Local Development Scheme (LDS) setting out the documents to be produced as part of their new planning policy framework. It also provides the timetable for the preparation of these documents, which are known collectively as Development Plan Documents and Supplementary Planning Documents. A



summary of the LDF documents relevant to retail planning in Crediton, together with a timetable for their production is set out below.

Core Strategy

3.29 The Core Strategy will set out the vision objectives and strategy for the spatial development for the Mid Devon District. The document contains a series of core policies which are proposed to provide the framework for development in the District until 2026. Production of the Core Strategy commenced with the publication of the Submission Version for consultation in July 2006.

3.30 A Public Examination took place February/March 2007 to consider the representations received during the consultation stage and the Inspector's Report has recently been published which will outline changes that the Council must then make to the Core Strategy. Tesco submitted representations on the Core Strategy. The relevant policies for the purposes of this Retail Review are as follows:

- Core Policy 1 (Sustainable Communities) seeks to manage growth to meet sustainability objectives and provide vibrant, safe, healthy and inclusive places where existing and future residents want to live and work. Methods of achieving this goal include enhancing the self sufficiency and vitality of communities, and by providing accessible forms of development that reduce the need to travel by car and are integrated with public transport and other sustainable modes of travel.
- Policy COR 6 (Town Centres) seeks to protect and enhance Crediton Town Centre by promoting new shops and other key town centre uses to contribute to vitality and viability and only permitting new retail and other key town centre uses outside town centres where there is a need and they meet the sequential test.
- Policy COR 12 (Development Focus) identifies that average annual development rates in Crediton in the period until 2026 will be 2,000 sqm for employment floor space and 345 sqm for retail space.



The supporting text to the Policy states that the need for new retail development is based on advice in the Mid Devon Retail Assessment, which identifies capacity for an additional 1,250 sqm of convenience floorspace and 1,300 sqm of comparison floorspace in Crediton in the period 2006 to 2016.

It is identified that the retail provision for Crediton within the LDF has been set at higher levels than that contained within the MDRS, in order to ensure that existing expenditure can be clawed back from Exeter (a 'retail growth' strategy). However, it will be important to fully test the viability and suitability of potential retail sites through the allocations DPD. The Council has prepared a strategic constraints analysis of Crediton (and Tiverton and Cullompton) to ensure these development levels proposed are feasible.

- *Policy COR 15 (Crediton)* states that the town will continue to develop as a small market town and the aim is to increase its self sufficiency, reducing the need to travel to Exeter by widening and expanding employment opportunities, enhancing retail provision, and improving access to housing and services.

3.31 The Inspector's report included the following comments in relation to retail provision in Crediton. In relation to Policy COR15 (Crediton) the Inspector proposes adding the following wording " *including an additional 2,100 square metres of convenience and 1350 square metres of comparison net retail floorspace by 2016 in accordance with the sequential and other PPS6 retail policy considerations.*"

3.32 The Inspector also recommends deleting paragraph 7.52 and replacing with the following : " *The retail study identified considerable need for additional floorspace, which is reflected in the retail allocation for Crediton (approximately 3,450 square metres net sales to 2016). Crediton is particularly underprovided for retail floorspace and the policy reflects the need identified in the retail study to increase the town's self sufficiency in meeting the shopping needs of its catchment. This will permit the provision of modern retail floorspace sufficient to reduce the relative attractiveness of shopping in Exeter. The result should be reduced "leakage" of expenditure to Exeter, with reduced travel arising and associated increases in retail employment.*"



Creedy/Taw Development Plan Document

- 3.33 The Local Development Scheme for Mid Devon states that once adopted this document will provide appropriate allocations for housing, employment, retail and all other necessary land uses in the Creedy/Taw area of Mid Devon. It will replace the allocations contained within Crediton in the Adopted Local Plan.
- 3.34 Public consultation on the 'Preferred Options' stage is scheduled to commence in December 2007 following the adoption of the Core Strategy. A further consultation stage is programmed in July 2008 once the document has been submitted to the Secretary of State for approval. The final version is expected to be adopted in autumn 2009



Part 4: Mid Devon Retail Study (December 2004)

- 4.1 In December 2004, GVA Grimley published a district-wide retail study to assist Mid Devon District Council with the preparation of their Local Development Framework (LDF). The Mid Devon Retail Study (MDRS) reviewed existing and emerging national, regional and county planning policy, and assessed the following issues:
- Retail trends and their implications for the future scale and distribution of retailing in the District;
 - The retail structure of the Area and Local Centres in Mid Devon, together with an overview of retail provision within rural villages and out-of-centre locations;
 - A survey of households in Mid Devon to determine current shopping patterns and perceptions of the three main settlements in the District (Tiverton, Crediton and Cullompton); and
 - The need and scale for additional retail development within Area and Local Centres in the District through to 2016.
 - Appropriate policy responses arising from the above.
- 4.2 The MDRS was undertaken in the context of Planning Policy Guidance note 6 (PPG6: Town Centres and Retail Developments) and draft Planning Policy Statement 6 (PPS6, Planning for Town Centres) which was published for public consultation in December 2003. To a large extent however, PPS6 represents a clarification of existing retail policy rather than a radical change therefore the planning context for the MDRS can be considered to be broadly the same as for the current Somerfield and Tesco proposals.
- 4.3 A summary of the key conclusions contained within the MDRS in respect of retail provision in Crediton (including the quantitative and qualitative need for additional provision) is set out below. This provides important context for consideration of the current proposals by Somerfield and Tesco as PPS6 advises in Paragraph 3.10 that



a quantitative need assessments prepared in support of a planning application should, wherever possible, be based on the assessment carried out for the development plan document, updated as required. The MDRS is therefore the appropriate starting point.

4.4 The key conclusions of the report are as follows:

- As an 'Area Centre' as defined by the Devon Structure Plan, Crediton as with other Local Centres offers the best opportunity to ensure accessibility to employment opportunities, services and facilities through minimising the need to travel (para. 3.2.2).
- Crediton possess one of the lowest retail floorspace totals amongst Area Centres in Devon reflecting its role in serving a more localised catchment (para. 3.2.4)
- Redevelopment opportunities in Crediton Town Centre are difficult due to the town centre environment being characterised by pockets of high density historic development on both sides of the High Street, and as a result are likely to be of a small scale nature. Larger sites are evident beyond the High Street. However, these are already allocated for alternative forms of development (para. 3.5.2).
- In 2004 the proportion of convenience units in Crediton is relatively high at 14% and compares favourably with comparable provision in Cullompton and Tiverton. The provision of comparison retailing in Crediton (40%) is higher than Cullompton, although lower than Tiverton and national trends for such provision. 6% of retail units are vacant which is the highest level in any of the three Area Centres, although still relatively low, when compared to national levels (para. 3.5.4).
- The only national retailers present in the town are Tesco (Express), Costcutter and Boots (para. 3.5.5). Outside the town centre the only significant retail outlet is the Somerfield store (para. 3.5.6).



- Crediton is considered to be a healthy town centre, providing in terms of the proportion of units the highest level of convenience retailing in any of the Area Centres in Mid Devon and a good range of comparison and service uses. Clear detractors from the health of the centre are the lack of a large grocery facility and the effect of vehicular traffic on the town centre environment and movement around the centre. Potential improvements, include increasing the range of convenience and comparison retail provision (para. 3.5.14).
- An assessment of need for additional floorspace is set out for convenience and comparison goods over the lifetime of the LDF (then thought to be up to 2016), which is informed by a household telephone shopper survey and based upon a study area made up of 8 zones for the purpose of survey and analysis. Crediton is covered by Zone 2. The capacity assessment is based upon the population and expenditure figures available at that time and the relevant guidance for their projection and adjustment to account for special forms of trading.
- In terms of market share and expenditure flows the survey results reveal that the market penetration for convenience goods facilities amount to a main food shopping catchment area population of approximately 13,400 people and a top up shopping catchments of around 15,000 people. Crediton stores attract convenience shopping trips from Zones, 1, 2, 3 & 6 with Zone 2 (containing the urban area of Crediton) possessing the highest market penetration rate of 76% for main food shopping and 94% for top up shopping. The majority of leakage from Zone 2, which amounts to around £2m per annum flow to larger supermarkets in Exeter (para. 4.2.16).
- The respective market penetration rates for main food and top up shopping trips for Zones 1, 3 and 6 are as follows:
 - Zone 1 (Rural area west of Crediton): 31% and 24%.
 - Zone 3 (Rural area north of Crediton) 17% and 22%.
 - Zone 6 (Rural area east of Crediton) 6% and 7%. (Appendix F, Table 4)



- Across all zones the existing Somerfield store attracts the majority of main food shopping trips to Crediton (approximately 90% of all main food expenditure to Crediton), with a market share of 68% in Zone 2 and 28% in Zone 1. Within these Zones 24% and 66% (respectively) of main food shopping trips are made at stores outside the District. (para. 4.2.16 and Appendix F, Table 4). This is likely to be to stores in Exeter and Okehampton.
- Zones 3 and 6 have lower market share rates for main food shopping trips to Crediton only 16.5% and 6% respectively. Within these Zones 62% and 89% (respectively) of main food shopping trips are made at stores outside the District. (Appendix F, Table 4). (Likely to be to stores in Exeter.
- The Somerfield is identified as having a convenience goods turnover of £17.3m, with the remaining convenience goods expenditure directed towards the town centre and accounting for £5.8m per annum., the majority of which is derived from top up shopping (para. 4.2.16). In term of comparison goods Crediton has a turnover of £12.6m, around half of which is derived from Zone 2 (5.5%) and the remainder from Zones 1 and 3 (4% and 2.3%) covering the rural areas to the west and north. (para. 4.2.22 and Appendix F, Table 13)
- The study estimates the future floorspace capacity for additional convenience goods floorspace for the District as a whole and for each of the three Area Centres. The methodology assumed that permissions for Tesco stores in Cullompton and Tiverton will be implemented by 2009 and that this will increase the market share of all convenience facilities from 50% to 57% (para. 4.2.27).
- The District wide capacity assessment indicated that there will not be any surplus convenience goods expenditure until 2013 suggesting that as a whole Mid Devon will be well provided for in terms of convenience facilities in the short to medium term (para. 4.2.27).
- In respect of Crediton, a baseline capacity assessment is undertaken ignoring the existence of the Local Plan allocation for a replacement foodstore on the Somerfield site and therefore assuming the market share of convenience facilities in Crediton remains constant. The results indicate that there is currently



capacity for approximately 900 sqm (net) of convenience floorspace (in 2004), rising to 1,000 sqm by 2009 and 1,250 sqm by 2016. These figures broadly confirm the data informing the Local Plan First Alteration Review, although capacity for up to 900 sqm. net is immediate and will grow further as the LDF period progresses. (para. 4.2.29). Paragraph 4.2.29 goes on to advise that these figures assume a baseline approach where the market share of Crediton facilities does not change; clearly proposals for additional floorspace have the real potential to alter the convenience market share of Crediton via the clawback of convenience good expenditure.

- In respect of comparison goods, there is a capacity for an additional 430 sqm net in Crediton by 2009, rising to 1,351 sqm by 2016. (para. 4.2.34)
- The quantitative need assessment concludes that Crediton is the second largest centre within the District, after Tiverton, with convenience goods shopping dominated by the Somerfield. An immediate quantitative need for additional convenience and comparison goods floorspace in Crediton is identified on the basis of its convenience shopping market share remaining the same. (para. 4.2.35)
- In terms of the qualitative need for additional floorspace the study identifies that the Somerfield store is very popular with residents in Zones 1,2,& 3. However, the size of the store (1,391 sqm net) restricts the range of products sold and hence its ability to satisfy all main food shopping trips. The results of the household survey indicates that on quarter of Crediton's residents travel to Okehampton and Exeter where there are larger modern stores, to undertake main food shopping trips. This coupled with the fact that almost one quarter who visit would visit the town more often if a larger supermarket was introduced leads the report to conclude that there is a qualitative need for a new food store able to meet main/bulk food shopping requirements. (paras. 4.3.13-4.3.14).
- The qualitative assessment indicates that there is potential to claw back comparison and convenience shopping trips from surrounding settlements (para. 4.4.1)



- 4.5 Section 5 of the report sets out broad policy options and recommendations for retailing in Mid Devon in order to inform the LDF process. Potential approaches to additional retail development in Mid Devon over the lifetime of the LDF are discussed first followed by suggested retail policies which will form part of the Core Strategy:
- 4.6 Options for future retail development are presented for each of the three Area Centres and are based on two broad strategic options:
- The “No Change Approach”, which assumes that existing shopping patterns will continue at the same level and no further proactive action is taken by MDDC in relation to retail development and sites for additional retail development will only be identified when promoted by the baseline quantitative analysis in this report.
 - The “Retail Growth Approach”, which responds to retail pressures and needs by exploring the potential for retail provision in Mid Devon to retain a greater level of retail expenditure in the future (para. 5.2.1).
- 4.7 In respect of Crediton the recommended Options set out are:
- Consideration is given to the allocation land for both convenience and comparison retailing to accommodate the floorspace capacity figures identified in the report (1,000 sqm. net convenience and 430 sqm. net comparison in 2009 rising respectively to 1,250 sqm. net and 1,300 sqm. net by 2016) in Crediton in the LDF. In relation to convenience retailing consideration is given to the existing allocation of the existing Somerfield store for redevelopment to meet the various policy objectives (the ‘No Change’ Approach); and
 - Consideration is given to the alternative approach for the Council to pursue an option whereby additional retail development in Crediton is encouraged by the LDF. In relation to convenience retailing a strategy which opts for an increasing market share allows alternative scenarios, beyond the allocation of the existing Somerfield store to be considered. An approach to increase market share through clawback from stores outside the District would provide for additional retail capacity, allowing the Council to consider allocating land for a new purpose



built foodstore in addition to existing provision and would remove any obstacles associated with the redevelopment of the existing Somerfield site. The approach sets out that an increase in market share from 13% to 17% facilitated by the clawing back of around £8m from store outside the District would allow for a capacity of 1,800 sqm net by 2009 and 2,100 sqm by 2016 (the 'Retail Growth' Approach).

4.8 These two Options are summarised in tabular form within the MDRS (between pages 60 and 61) and an assessment of each of the Options against national, regional and county policy objectives is set out.

4.9 The 'No Change' Approach, that includes for the continued allocation of the Somerfield site for redevelopment in order to meet the identified capacity shortfall (of 1000 sqm.) by 2009 is found to accord with national, regional and county retail planning policy.

4.10 The 'Retail Growth' Approach has the ability to accord with national, regional and county retail planning policy subject to further detailed consideration and analysis once potential development options and sites become known.

4.11 The report draws the following conclusions in relation to the Options for retailing in Crediton:

"For convenience retailing, the 'no change' option allows the provision of an additional 1,250 sqm. net by the end of the LDF period. The ability of this additional floorspace to meet recognised objectives such as qualitative need is limited to a situation where, in line with the Local Plan First Alteration, the existing Somerfield site is redeveloped. Provision of 1,250 sqm in isolation will do little to enhance retailing in Crediton. Therefore, we recommend that MDDC considers the 'retail growth' option, which aspires to claw-back convenience shopping trips lost to surrounding settlements, thus raising the market penetration rate of facilities in the town. Such an option could enable a new foodstore of approximately 2,000sqm. net to be provided and would accord with strategic guidance on the location of retailing. However, should MDDC pursue this option, we recommend that further detailed analysis is undertaken to assess the trading characteristics of potential development



locations. For comparison retailing, it would appear that the most realistic option in terms of Crediton's location in the settlement hierarchy and the likely availability and deliverability of potential development sites, is the 'no change' option, although this should be monitored alongside convenience development proposals.” (Para. 5.2.5)

4.12 The above paragraph sets out that theoretically the 'no change' option allows the provision of an additional 1,250 sqm. net by the end of the LDF period. However, it appears that the ability of this additional floorspace to meet recognised objectives such as qualitative need is limited to a situation where the existing Somerfield site is comprehensively redeveloped to provide a much large foodstore capable of meeting the qualitative need. Equally it is acknowledged that provision of 1,250 sqm in isolation will do little to enhance retailing in Crediton. This appears to support the recommendation that MDDC should consider the 'retail growth' approach.

4.13 Section 6 of the report sets out the summary and conclusions of the study. Paragraph 6.4.2 sets out the options analysis recommendations for the preferred scenario for Crediton, which generally reiterates the conclusions set out in Section 5. However, the wording is slightly different. The recommendation is:

“The success of the 'no change' option for convenience retailing relies upon the redevelopment of the existing Somerfield store at East Town. We therefore recommend that MDDC consider a 'retail growth' option for convenience retail provision, which will enable, should it be found that delivery of the East Town site is problematic, a new foodstore to be development in Crediton. We consider that this approach has the ability to meet national, regional and strategic guidance. For comparison retailing, the 'no change' option appears to sufficient for the needs of Crediton over the life of the LDF.”

4.14 It is considered that in order to clarify the above conclusion that the word “comprehensive” should be inserted before “redevelopment” in the first sentence to emphasise that degree of redevelopment required on the Somerfield site in order for the 'no change' option to be a successful approach.



Part 5: Review of Tesco Proposal

Overview

- 5.1 The proposal by Tesco is for the development of a new 5,519sqm gross foodstore in an out of centre site that is not allocated for retail use within the Development Plan or any other adopted or emerging policy document.
- 5.2 Therefore in accordance with PPS6 the applicants are required to demonstrate the following in order to justify proposals for:
- The need for the development;
 - That the development is of an appropriate scale;
 - That there are no more central sites for the development;
 - That there are no unacceptable impacts on existing centres; and
 - That the location is accessible.
- 5.3 The Retail Assessment submitted addresses the above issues in turn with the exception of accessibility that is not addressed.
- 5.4 PPS6 sets out that as a general rule, the development should satisfy all these considerations. However, in making their decision, local planning authorities should also consider relevant local issues and other material considerations.

Quantitative Need

- 5.5 In accordance with the advice contained within PPS6 the quantitative need assessment undertaken (and submitted) in support of the planning application is based on the assessment carried out for the Development Plan document (the MDRS undertaken by GVA Grimley, 2004), and updated as required. Furthermore, Paragraph 1.8 of the Retail Assessment sets out that the assessment has been produced in consultation with the GVA Grimley, and the methodology and data inputs used have been agreed.



- 5.6 In accordance with the advice of PPS6 the Assessment is based on a goods based approach and addresses the need for additional floorspace for convenience and comparison goods no more than 5 years ahead (in this instance to 2012).
- 5.7 In relation to the original retail assessment we noted that although a Primary Catchment Area for the development had been defined this had not been used as a basis for the quantitative assessment. Furthermore, the expenditure estimates and forecasts did not take account of more up to date information produced by Experian particularly in relation to Special Forms of Trading. The supplementary information adopts the defined primary catchment area and takes account of the more up to date Experian data. We consider this approach provides a more robust basis for the assessment of the proposals compared to that contained in the original assessment. The population of the PCA is about 29,000 in 2007 and is forecast to increase to approximately 30,000 by 2012. The catchment population is estimated to generate a total of £45.38m of convenience goods expenditure in 2007 rising to £49.01m by 2012. The forecasts are slightly lower if growth in Special Forms of Trading is assumed but this does not appear to be a critical factor.

Convenience Goods.

- 5.8 Using the results of the household survey the study indicates that there is both significant overtrading in existing stores and expenditure leakage from the Crediton catchment area.
- 5.9 In the supplementary assessment BPD estimate the benchmark turnover of existing stores in Crediton to be £13.43m with the existing Somerfield and £15.25m with the larger proposed Somerfield store. These appear to be reasonable estimates. Overtrading above this level represents one source of potential turnover to support a new store. However, the more critical factor is the estimation of how much additional capacity could be generated from clawback of expenditure which is currently lost from the area.



- 5.10 The revised assessment demonstrates that, making a reasonable assumption about potential clawback there is sufficient expenditure capacity to support the predicted turnover of the proposed store (£32m).

Comparison Goods

- 5.11 Due to the general high growth in available expenditure for comparison goods, and the relative low level of clawback required (as part of main food shopping trips), in order to make up the difference between available expenditure and the baseline turnover of existing stores after taking into account inflow, there are no substantive issues to raise in respect of comparison good capacity that would change the outcome of the Assessment.
- 5.12 In terms of figures in 2011, based on a static market share there will be there will be £2.9m of capacity (through growth), which requires a clawback of only £4.3m (or a 3% increase in Creditons market share) in order to provide sufficient spending to support the comparison goods floorspace of the proposed development (1087sqm. generating a turnover of £7.2m at 2011).
- 5.13 The amended assessment demonstrates that there is sufficient comparison goods capacity within Crediton to accommodate this element of the proposed development and that a quantitative need for the proposed comparison goods floorspace has been demonstrated.

Qualitative Need

- 5.14 The qualitative need case is built upon the advise contained in PPS6 that advocates a planned approach to growth, social inclusion by enhancing consumer choice, and the need to remedy deficiencies in provision in areas with poor access to facilities (which are also echoed within the Structure Plan), together with the policy advice contained within the adopted Local Plan that recognises the need for anew foodstore in Crediton.
- 5.15 Whilst the Local Plan recognises the need for a new foodstore seemingly on the basis of a qualitative need (to enhance the range and quality of products and in turn



reduce leakage of expenditure), and accordingly allocates the Somerfield site for redevelopment, a floorspace threshold of 2,000sqm is set. The Local Plan itself does not therefore recognise a qualitative need for the size of foodstore now proposed.

- 5.16 The qualitative need case is also based upon (and builds upon) the finding of the MDRS which concludes in paragraph 4.3.13-4.3.14 that the limited size of the existing Somerfield restricts the range of products sold. This coupled with the fact that the results of the household survey indicates that one quarter of Crediton's residents travel to Okehampton and Exeter where there are larger modern stores, to undertake main food shopping trips, and the fact that almost one quarter who visit would visit the town more often if a larger supermarket was introduced leads the MDRA to conclude that there is a qualitative need for a new food store able to meet main/bulk food shopping requirements. The MDRA also sets out a similar qualitative need for improved comparison good provision, upon which Tesco rely.
- 5.17 In light of the above it is clear that there is a qualitative need for additional convenience and comparison provision in Crediton. However, the qualitative assessment does not make any allowance for the CRE1 site which is allocated to help address this deficiency. Although not considered in the retail assessment we consider the proposal would provide significant qualitative benefits beyond those provided by the CRE1 proposals.

Impact

- 5.18 The overall levels of trade diversion arising from the new store, broken down into convenience and comparison goods spending as set out within Table 4 of the original assessment appears reasonable. This includes the levels of clawback anticipated from Exeter (which of the store proposed turnover is quoted as 45% or £14.8m for convenience goods and 75% or £5.7m for comparison – totalling £20.5m). Lower levels of clawback are identified from Tiverton (£2.4m), Okehampton (£1.1m), and Barnstable (£1.2m), which also appear reasonable and are consistent with Assessment methodology adopted.



- 5.19 As a result of the anticipated levels of overtrading of a number of these facilities, including in centre and out of centre stores, the anticipated level of impact are also judged to be reasonable and satisfactory.
- 5.20 In respect of Crediton, the Assessment sets out that the main diversion effect will be on the out of centre Somerfield, which is currently significantly overtrading as it is the only supermarket in Crediton. The estimated diversion of 40% or £12m appears reasonable. The Assessment set out that whilst the level of impact is high (68%) due to its degree of overtrading it will still be at around 80% (78% is actually quoted in Table 4) of benchmark levels, which is still a viable turnover for this store. There is no reason to scrutinise these figure in detail since the store is located in an out of centre location and thus does not benefit from PPS6 policy protection.
- 5.21 In accordance with national and local retail policy the most important consideration is the likely impact of the proposals upon Crediton town centre and the implications of this for its continued vitality and viability.
- 5.22 In respect of both convenience and comparison goods the levels of trade draw and in turn levels of impact were considered to be low at £0.3m (5% impact) and £0.2m (1.5%) respectively.
- 5.23 For convenience goods, this is seemingly justified on the basis that that small town centre convenience stores will not suffer significant additional competition since the Tesco will perform a primarily a bulk food shopping function. Furthermore it is stated that the town centre store most likely to be affected in the Tesco Express. We suggested that that further justification for the trade draw and impact assumptions made should be requested. Having regard to the additional information contained in the supplementary retail assessment we are satisfied that the proposals would not have an unacceptable impact of the vitality and viability of Crediton Town Centre.
- 5.24 For comparison goods, the even lower low levels of trade draw and impact are justified on the basis of limited overlap in the types of goods that will be sold from the respective locations. Taking account of the additional material submitted we are



satisfied that it has been demonstrated that the comparison goods element of the proposal would not harm the vitality and viability of Crediton town centre.

Sequential Approach

- 5.25 The preface to considering alternative sites for the proposed development is that the sequential approach is only applicable where a need is demonstrated. The applicant is yet to demonstrate a need for the level / type of floorspace sought.
- 5.26 In paragraph 5.7 Tesco identify that, in accordance with the provisions of PPS6, consideration had been given to reduced floorspace, innovative layouts, car parking arrangements and store configurations. No further details, apart from the claim that such an assessment has been undertaken, is contained within their report.
- 5.27 As part of the consideration of edge of centre sites Tesco have considered the site of Queen's Elisabeth's Community College. They identify that it is the only large site in single ownership on the edge of the centre and that it is located within a conservation area. However they consider that the site is not suitable due to topography and conservation area constraints and that it is not currently available.
- 5.28 It is understood that the Council is currently undertaking a review of strategic sites as part of the LDF process, which will help inform the sequential sites assessment. We understand this assessment has concluded that there are no sequentially preferable suitable and available sites that could accommodate the proposals.



Part 6: Summary and Conclusions

- 6.1 We have undertaken an analysis of the retail assessment submitted in relation to the Tesco proposal and considered the proposal against the relevant policy tests contained in PPS6 and development plan documents.
- 6.2 Having regard to the submitted assessment together with the supplementary information that has been provided, we conclude that:
1. A quantitative need for the scale of foodstore has been demonstrated.
 2. It has been demonstrated that the proposals would not have an unacceptable impact on the vitality and viability of Crediton town centre or any other designated centre in the area.
 3. We understand the Council's review of potential retail sites has concluded that there are no sequentially preferable sites that are suitable and available to accommodate the proposal.