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1.0 Introduction

1.1 In July 2009 Martin Tonks of MT Town Planning was instructed by East Lindsey DC to undertake a review of a Planning and Retail Report (PRR) prepared by Indigo Planning Limited (IPL) in support of a planning application for a new Sainsbury store in Louth. The proposal comprises a supermarket with a gross external floorspace of some 3,759 sq m and a net sales area of 1,863 sq m.

1.2 This report is structured to follow the PP6 (3.4) policy tests. In the PRR Section 4 IPL present a comprehensive review of the policy background so I see no need to replicate this in detail in the following section. Section 3 of the report considers the quantitative need assessment produced by IPL and qualitative need case is examined in section 4. Section 5 considers the scale of the proposal and whether it is appropriate to Louth town centre and the catchment it serves.

1.3 The sequential approach to site selection is considered in section 6. Section 7 reviews the IPL impact assessment and section 8 considers accessibility. Section 9 considers other material considerations in favour of the proposal and conclusions and recommendations are drawn in the final section

2.0 Planning Policy Framework and Quantitative Assessment Methodology

2.1 The IPL report contains a fairly detailed review of national and local planning policy and for the sake of brevity I do not wish to repeat this, only make a few key observations.

2.2 IPL do not detail para 3.10 of PPS6 that advises *“A needs assessment prepared in support of a planning application should, wherever possible, be based on the assessment carried out for the development plan document...”* In 2006 ELDC commissioned Farrell Bass Prichard (FBP) to undertake an assessment of the need for additional convenience goods floorspace in the town centre. The report published in March 2007 forms part of the evidence base for the LDF.

2.3 As LDF background evidence the FBP report forms the development plan assessment and should have been updated by IPL rather than a new benchmark assessment submitted. In addition I consider the benchmark assessment that has been submitted is inconsistent with post PPS6 decisions in Burnham and Birmingham which indicate leaking expenditure and overtrading can also contribute towards quantitative need where there is robust and up-to-date evidence.

2.4 The problem with benchmark assessments such as that submitted by IPL is that they identify surplus capacity that is the difference between what local stores should be trading at based on national company average sales densities i.e. the benchmark and the available expenditure within the area. However, the benchmark assessment does not explain what element of the surplus capacity is overtrading and what is leakage as it is not survey based. As a result judgements about the desirability of redirecting overtrading, from town centre stores for example, or how realistic it is to claw back leakage can’t be made from a benchmark assessment.

2.5 IPL do present a sensitivity market share assessment to supplement their benchmark assessment. Unfortunately this has many of the same problems as the benchmark assessment such as optimistic house-building scenarios in the demographic projections and excessive claims on tourism spending. In addition the IPL market share sensitivity assessment has some specific problems outlined in the following section such as a claim on 70% of available expenditure in the outer catchment area that FBP concluded does not form part of the Louth PCA.

2.6 Reference is made by IPL to the survey based FBP market share analysis to inform the benchmark assessment but then the FBP study might as well have been updated in the first place in compliance with PPS6 (3.10) guidance. In this review I therefore rely largely on the FBP study for my conclusions on quantitative need. If IPL wish to update this in an addendum then that might be helpful.

2.7 The FBP assessment was also a benchmark approach but their methodology was to discount outer areas (DN36 5 and LN8 6) from which the survey identified little trade was drawn to Louth as in fact these areas really formed part of the catchment area of Grimsby / Cleethorpes and Market Rasen to a lesser extent. FBP then assumed that only 70% of the residual expenditure (surplus capacity) i.e. the difference between available expenditure and the benchmark turnovers of local convenience goods floorspace was available to support new floorspace. They then made some assumptions about the levels of inflow from the outer catchment area (DN36 5 and LN8 6) contributing towards capacity based on the current market shares for Louth in those areas. Unlike IPL, FBP made no assumptions about additional inflow expenditure from beyond the PCA such as tourist spending for example.

Consultation Draft PPS4

2.8 I also note that IPL refer to the consultation draft PPS4 that will replace PPS6 and PPG4 suggesting that this has removed the quantitative need test, however, this isn't quite correct. Quantitative need remains a central part of the evidence base in the plan making in the consultation draft (policy EC1) and planning applications have to comply with the development plan.

2.9 The need test is also retained as part of the expanded impact test in the consultation draft. Policy EC20 entitled "The impact assessment for planning applications for town centre uses not in accordance with the development plan" retains a need test. Para 20.1 bullet 3f states:

> "in the context of a retail or leisure proposal, what the impact is on in-centre trade / turnover and on trade in the wider area, taking account of current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made, and, where applicable, on the rural economy."

2.10 However, as this is a consultation draft that may not be published before the next election there is no guarantee that this will be adopted as national planning guidance by the present or future Government. In addition the proposed removal of the needs test in the Consultation Draft PPS4 has been criticized in a Commons Communities and Local Government Committee Report. This advised that there was no persuasive case for the removal of the needs test and that doing so would pose an "unacceptable risk" to town centres as reported in Planning Magazine (31 July 2009). I therefore consider that very little, if any, weight should be attached to Consultation Draft PPS4 in the determination of this application.

The Berwick Decision

2.11 I also note the IPL refer to the Berwick Decision in their report suggesting it has downgraded the PPS6 (3.4) quantitative need test and upgraded qualitative need. Again I disagree, this SoS decision related to a very unique situation and does not alter national planning guidance. The situation in Berwick is completely different to Louth as the subregional centre of Grimsby (and Cleethorpes) is only 14 miles away. Berwick only has one of the 'big 4' supermarkets represented in the town (in an out-of-centre location) and the nearest competing centres with 'big 4' supermarkets (Alnwick, Dunbar and Jedburgh) are all over 30 miles away.

2.12 Berwick is a slightly larger town than Louth with a comparable supermarket offer, both centres have one of the big four represented in the town, but Berwick has a much more extensive catchment area that does not overlap with those of competing centres for some distance. Therefore the inspector considered that in the interests of competition qualitative issues might override the lack of quantitative need. I therefore consider very little weight can be attached to this SoS decision in the determination of this planning application as the situations in Berwick and Louth are very different.

3.0 Quantitative Need

3.1 As I indicated in the previous section, I can't understand why IPL have produced a revised Quantitative Assessment when the 2007 FBP study of Louth identified a degree of capacity to support new convenience goods floorspace using a survey based 'market share' approach.

3.2 IPL have only produced a convenience goods benchmark assessment as this will form the majority of goods sold in the store. This is acceptable in that there is greater comparison goods expenditure growth to support the limited non-food element. IPL also produce a sensitivity market share assessment but this contains some overly optimistic assumptions about clawback and inflow expenditure so I rely mainly on the FBP study.

3.3 IPL have undertaken a benchmark assessment which is the most common approach where there is no recent development plan assessment to base the RIA upon. However, as there is the FBP assessment from 2007 and the situation has hardly changed I can't understand why they haven't simply updated this market share based approach e.g. with the Morrisons replacing Somerfield and the Kwik Save closure. This would have allowed a much simpler assessment to be produced with less confusion and conflicting assumptions.

3.4 The IPL approach uses the same study area although IPL draw upon expenditure from the outer area in the market share sensitivity (Tables 8 and 8A) which FBP (3.10) clearly indicate does not constitute part of the Louth "core" catchment area:

> *"They comprise part of the town's "outer" catchment area from which, as a result of considerations of geography and accessibility, expenditure flows to Louth are likely to remain limited."*

3.5 In their assessment FBP have not included current / future expenditure from the outer zone in their assessment over and above the current low market shares. Instead they appear to make an allowance for limited inflow from beyond the core catchment area.

3.6 In addition IPL introduce some housebuilding target assumptions on top of the Experian trend based population projections into both the benchmark and sensitivity assessments. Given the state of the national economy and fall in housebuilding completions I consider this is far from robust in the short term study period.

3.7 IPL also introduce some very optimistic tourism spending into the assessment that I can find no justification for in the 2003 Lincolnshire Tourism Model. IPL assume (5.36) that 50% of the 'inland' expenditure from tourists will be spent in Louth. I do not agree that this is a reasonable assumption as there are many inland tourist destinations in East Lindsey that must attract greater tourist numbers than Louth such as the inland spa / golf resort of Woodhall Spa, Conningsby (Battle of Britain flight) and Tattershall (Castle and Church), Horncastle, etc.

3.8 Whilst FBP do not appear to make any allowance for inflow other than from the outer zone, this is at least more robust than making overly optimistic assumptions such as those of IPL. (The limited inflow expenditure may be justified by FBP on the basis that local people will also spend some of their expenditure whilst on holiday / away from their usual mainfood shopping destination and this will balance inflow.)

3.9 I therefore consider that only the expenditure growth from the core catchment shown in IPL Table 3 should be applied to the capacity assessment (as in the FBP assessment).

3.10 The expenditure per head figures are projected forward by IPL using past trend based projections of 0.8% per annum (pa) for convenience goods. Given the state of the current economy these look particularly optimistic and I consider a more robust assessment would have utilized Experian forecasts that are much lower (0.2% pa) and more realistic in the short term covered by the study period to 2014.

3.11 The available expenditure is then compared to the expected or benchmark turnovers of all identified retail floorspace in the study area that is calculated by multiplying the sales area of the retail floorspace by a sales density (national company averages published by Mintel Retail Rankings and / or Verdict). The difference between the available expenditure and the benchmark turnovers is considered to be 'capacity' to support new floorspace.

3.12 The main problem with IPLs assessment is the overly extensive study areas that extends well beyond the core catchment area of the centre and includes those of higher tier competing centres such as Grimsby. The extensive catchment may also encroach on those of other centres such as Market Rasen and Horncastle in other directions.

3.13 My preference would have been very much for a simple update of the FBP development plan assessment as recommended by PPS6 (3.10). The study that has been submitted by IPL departs from the cautious FBP study in too many areas and contains too many optimistic assumptions / inputs. For this reason I rely largely upon the 2007 FBP for my conclusions on quantitative need.

3.14 FBP identified total expenditure capacity of £18.18m in 2011 and £20.49m in 2016 (in 2003 prices). At a national supermarket company average sales density of £9,500 psm this would support 1.914 sq m new convenience goods floorspace in 2011 and 2,157 sq m in 2016. The Sainsbury proposal is for 1,863 sq m (net) of which 1,770 sq m will be convenience goods so there appears to be capacity for this development. However, there are other claims on the expenditure identified by FBP most notably the Queen Street development. In addition there have been changes in retailer representation within the town centre with Kwik Save closing, Somerfield being re-occupied by Morrisons and Heron Frozen Foods expanding into a larger unit.

3.15 In their assessment IPL assume that Queen Street development will gain planning consent and will be occupied by a discount retailer. I consider the latter assumption is less than robust and a more cautious approach would be to assume that in a worst case scenario the unit is occupied by one of the ‘big 4’ unrepresented in the town centre who all have smaller formats. On this basis the total expenditure capacity would be reduced to around £11m in 2011 and c. £13.3m in 2016. Even before allowances for the increased turnover of the Morrisons and Heron units are taken into account (which combined will be greater than the turnover of the closed Kwik Save) there is insufficient expenditure capacity to support the proposal.

3.16 My conclusion on quantitative need based on the FBP study is that there is insufficient expenditure capacity once other claims on it are made such as the Queen Street commitment. For the reason set out above I do not accept that the IPL benchmark and market share assessments are robust enough for conclusions on quantitative need to be drawn. IPL may want to address this criticism of their quantitative assessment in an update of the FBP assessment.

4.0 Qualitative Need

4.1 The IPL qualitative need case is based upon consumer choice and the current limited offer in Louth IPL refer to the increased importance of qualitative retail issues is highlighted through the proposed changes to PPS6 as well as the Secretary of State's (SoS) recent consideration of retail proposals, such as the "Berwick" decision that they append to their report. As I outlined in section 2, I consider the Berwick situation is very different in that it is a larger town that is in a much more remote area 30 miles from the next nearest town with a big 4 superstore.

4.2 In support of their qualitative need case IPL also consider the need to provide an improvement to food retail provision within Louth as evidenced through the Council's long-standing search for an appropriate foodstore location within the town and the significant leakage of food expenditure. IPL also refer to declining market share recorded in a time series of household surveys undertaken as part of the FBP studies.

4.3 IPL also refer to Sainsbury's own loyalty card (Nectar) information which demonstrates that a significant number of customers at their Grimsby store originate from the study area (in excess of 1,200 transactions per week) although it is not clear if this can be broken down into PCA and SCA as FBP identified the latter is really part of the Grimsby / Cleethorpes catchment area.

4.4 IPL consider the new Morrisons will not extend consumer choice as it merely represents a re-branding exercise; i.e. there are only a limited number of qualitative improvements to the range of goods etc. that Morrisons can provide within the former Somerfield store. I disagree with this assertion as even small supermarkets operated by the 'big 4' can compete effectively with more distant superstores.

4.5 IPL also advise this application seeks to deliver a modern, purpose built foodstore within the town centre that will provide clear benefits for consumer choice in terms of the quality and range of products available, customer facilities and location.

4.6 IPL consider the clear benefits of the proposal in terms of consumer choice are supplemented by a range of other material planning merits such as reducing the need to travel, the claw back of retail trade to the benefit of the vitality and viability of the centre as a whole, an improved physical environment, enhanced pedestrian linkages and opening up of the riverside, and employment generation.

4.7 PPS6 (2.36) advises that other considerations that may also be taken into account with regard to qualitative need include the degree to which shops may be overtrading. The FBP survey found that both the Somerfield and Co-op stores are overtrading. Morrisons have now purchased the Somerfield store but this rebranded supermarket still appears to be overtrading in terms of footfall, queues at tills and a busy car park. However, IPL do not seem to draw on overtrading as evidence of qualitative need.

4.8 Undoubtedly there is a strong qualitative need case for an improved convenience goods offer in the town. However, this has already been addressed by the Morrisons store and the Queen Street development will also greatly improve the town centre offer. The qualitative need identified by IPL is therefore not as pressing as that identified in the 2007 FBP study.

5.0 Appropriate Scale

5.1 PPS6 (3.12) advises that where indicative upper limits to retail development are not contained in the development plan then factors outlined in paras 2.41 to 2.43 can be taken into account. The East Lindsey Local Plan does not advise on the upper limits to retail development so this is the case in Louth. PPS6 (2.41) advises:

> *"LPAs should ensure that the scale of opportunities identified are directly related to the role and function of the centre and its catchment..... The scale of development should relate to the role and function of the centre within the wider hierarchy and the catchment served. The aim should be to locate the appropriate type and scale of development in the right type of centre, to ensure that it fits into that centre and that it complements its role and function."*

5.2 PPS6 Annex A Table 1 advises:

> *"Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability."*

5.3 Clearly this typology is relevant to Louth. The next tier down from town centres in Annex A Table 1 is district centres:

> *"District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library."*

5.4 If district centres can contain one or more supermarket or superstore then clearly a higher tier town centre should also contain this level of retail floorspace. Louth currently contains two supermarkets with a third (small) supermarket proposed for the Queen Street site. The proposal along with the Queen Street development would result in four supermarkets but no superstores (over 2,500 sq m net sales area as defined by PPS6 Annex A Table 2) present in the town centre.

5.5 It is unclear from PPS6 whether out-of-centre proposals have to demonstrate they are of an appropriate scale. It would appear from Consultation Draft PPS4 Policy EC19 (para 3) that was published in May 2009[1] that this policy test applies mainly to in and edge-of-centre development. However, as the applicants contend that this is an edge-of-centre site then the proposal should address this PPS6 (3.4) policy test.

5.6 IPL consider as one of the two main town centres in East Lindsey District Louth should be the focus for any 'large scale' development proposed in the district and that the proposal is an appropriate scale as it meets the town and rural hinterland's retail needs. The proposal will result in the 34,300 sq m (gross ground floor) retail and commercial floorspace, in the town centre increasing to 38,059 sq m so it is not excessive in this respect.

5.7 IPL also point out that there has been no material increase in the scale of retail floorspace in the town for at least 15 years despite the exponential growth in available retail expenditure over this period and this is reflected in the increasing leakage from the town identified by the FBP studies.

5.8 IPL conclude the proposal will be in scale with the role and function of the town centre. The need to expand the convenience retail offer of the town in the manner proposed is widely acknowledged according to IPL and the proposals are of an appropriate scale for the town centre.

5.9 Given the summary of national policy guidance at the beginning of this section I am inclined to agree with IPL's conclusions on this PPS (3.4) policy test that the proposal is of an appropriate scale for a town centre the size of Louth and the catchment area it seeks to serve.

[1] Although this is a consultation draft to which little weight can be attached I consider on this matter it provides some useful clarification.

6.0 Sequential Approach

6.1 PPS6 (2.44) sets the order of preference in applying the sequential approach to site selection:

i) locations within existing centres, but subject to caveats relating to suitability, availability and scale in relation to the function of the centre;

ii) edge-of-centre locations, with a preference given to sites that are, or will be, well connected to the centre; and then

iii) out-of-centre sites, with preference given to sites which are, or will be, well served by a choice of means of transport and those with a high likelihood of forming links with the centre.

6.2 It can be seen from this hierarchy of sites that if the proposal site is deemed to be an out-of-centre location then it has a high priority on criterion iii in comparison to other out-of-centre sites in the town. If the proposal site is deemed to be edge-of-centre then it has low priority on criterion ii in comparison to other edge-of-centre sites in the town.

6.3 PPS6 Annex A Table 2 advise that:

> *"In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. For example, local topography will affect pedestrians' perceptions of easy walking distance from the centre. Other considerations include barriers, such as crossing major roads and car parks, the attractiveness and perceived safety of the route and the strength of attraction and size of the town centre. A site will not be well connected to a centre where it is physically separated from it by a barrier such as a major road, railway line or river and there is no existing or proposed pedestrian route which provides safe and convenient access to the centre.*

6.4 Generally the 300m maximum distance that PPS6 Annex A Table 2 advises is the threshold above which sites will be deemed to be out-of-centre is to be measured from the Primary Shopping Area (PSA) boundary. In Louth there is no PSA defined in the Local Plan but PPS6 Annex A Table 2 advises this can be defined as *"the area where retail development is concentrated (generally comprising the primary and* *those secondary frontages which are contiguous and closely related to the primary shopping frontage).*"

6.5 Planning cases have established that the 300m distance is also usually measured from the front door of the proposal to the PSA. From my measurement the site appears to be beyond around 250m from the nearest point of the primary frontage on Eastgate and in my view there are no intervening <u>contiguous</u> secondary frontages in this direction to extend the PSA closer. Given the strength of attraction and size of the town centre and the barriers in the form of car parks, roads etc. and the lack of commercial frontages along the route, I consider the site is arguably out-of-centre and the proposal may have the trading characteristics of such a location. The site therefore appears to be at best edge-of-centre and probably is an out-of-centre location, albeit one that can be prioritised under guidance in PPS6 (2.44).

6.6 PPS6 (2.46) advises LPAs should, where appropriate, include policies and proposals in development plan documents for the phasing and release of development sites over the development plan document period to ensure that those sites in preferred locations within centres are developed ahead of less central locations.

6.7 PPS6 (3.19) contains the sequential approach tests of *'availability within a reasonable period of time', 'suitability'* and *'viability'* in applying the sequential test. However, the phrase *'within a reasonable period of time'* is to be determined on the merits of each particular case and planning cases have established it is usually a period of up to 5 years.

6.8 PPS6 (3.15) advises that in applying the sequential approach, developers and operators are required to demonstrate flexibility in relation to scale, format, car parking provision and the scope for disaggregation (para 3.15). The key purpose of the exercise *'…is to explore the possibility of enabling the development to fit onto more central sites by reducing the footprint of the proposal'* (para 3.16); this may involve a reduction in floorspace, more innovative site layouts, multi-storey development and reduced car parking.

6.9 PPS6 (para 3.16) goes on to advise LPAs to be '…realistic in considering whether sites are suitable, viable and available'. LPAs are also required to '…take into account any genuine difficulties, which the applicant can demonstrate are likely to occur in operating the applicant's business model from the sequentially preferable site, in terms of scale, format, car parking provision and the scope for disaggregation, such as where a retailer would be required to provide a significantly reduced range of products'.

6.10 IPL conclude that whilst there are sites within Louth that provide opportunities for development, there are no available sequentially preferable locations suitable to accommodate a foodstore of the scale proposed, for which there is a strong and longstanding need.

6.11 IPL state the application site represents the optimum planning option for redevelopment as it is of a sufficient scale to accommodate the quantum of floorspace required to meet the identified needs and it is within easy and direct walking distance of the primary shopping area.

6.12 IPL consider six sites as part of their sequential approach assessment. I consider that four of these sites are sequentially inferior to the proposal site. However, there are two sites that are superior in my view.

6.13 The Queen Street Site 4 can be described as a town centre site as it is linked to the nearest primary frontages on Market Place by contiguous secondary frontages. In addition the site is very close to the town centre bus station. Quoting the Chase & Partners report IPL conclude that the site is not suitable or viable for a large scale retail development. This may well be the case but the current application suggests it is suitable for retail development of a slightly more modest scale to the proposal. Bearing in mind the guidance in PPS6 (3.15) on flexible formats this site is arguably suitable and viable for the proposed retail development i.e. a small supermarket as opposed to a medium sized supermarket.

6.14 The other sequential site is Site 3 Morrisons / Bus Depot. This is an edge of centre site as the store entrance is 150m from the primary frontages on Eastgate although the frontages between here are less than contiguous in my view (making it edge-of-centre). Like the Queen Street site this site is very close to the town centre bus station located on the junction of Church Street and Queen Street. Even if the proposal site is deemed to be edge of centre, the Morrisons / Bus Depot site can be prioritized ahead of it under guidance in PPS6 (2.44).

6.15 Whilst IPL dismiss this site as not being available, suitable or viable again with reference to the Chase & Partners report, I am not sure this is the case. The depot is vacant and is currently being marketed and so in theory is available as a possible extension site for Morrisons. Combined with the current store car park and service area the site is suitable for large scale redevelopment.

6.16 Whilst the owners may have attached some hope value to this site they will be conscious that there is no higher valuation than food retailing and so if they fail to agree terms with Morrisons, then the site is very unlikely to be viable for any other use at higher valuation.

6.17 The site does present some physical constraints to development due to the level changes and the narrow frontage onto Eastgate but I am not convinced these are beyond viable design solutions.

6.18 I therefore conclude on the sequential approach that the proposal is not the most sequentially preferable site to meet the quantitative need identified by FBP remaining after commitments and changes in representation are taken into account. Both the Queen Street and Morrisons / Bus Depot sites are sequentially superior to the proposal site and are capable of accommodating this in a flexible format. In addition there is the PPS6 (2.46) guidance on the phasing and release of development sites over the development plan period that may be applicable in the Louth situation.

7.0 Impact

7.1 In 1998 a Court of Appeal Judgment in the case of Bannertown Development Limited v SSE held that a refusal on the trade impact ground is sound if there is a '*real risk'* of a proposal causing damage to the vitality and viability of a town centre – the Secretary of State does not need to come to a firm conclusion that the application proposal *'would'* cause harm to the town centre or, indeed, that such harm was likely on *'the balance of probabilities'*; he merely needs to decide that there is a *'real risk'* of such harm.

7.2 PPS6 (para 3.22) advises that in particular, LPAs should consider the impact of the development on the centre or centres likely to be affected, taking account of:

- 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;
- likely impact on the number of vacant properties in the primary shopping area;
- 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; and
- the implications of proposed leisure and entertainment uses for the evening and nighttime economy of the centre (see also para 2.24).

7.3 IPL consider all the PPS6 (3.22) impact tests. They conclude the proposal will not impact negatively on the development plan strategy and is compliant with the aborted local plan and the emerging LDF. IPL also conclude that the proposal will not deter any private or public sector investment and the Queen Street proposal is unlikely to be affected.

7.4 With regard to economic impact PPS6 (3.21) advises the identification of need does not necessarily indicate that there will be no negative impact and I believe this may be case in Louth. Because there is insufficient capacity to support the proposal at benchmark or expected levels based on national company averages, the impacts on local stores will be greater than stated. The level of trade drawn from clawback is overstated in my view given the overly extensive catchment that includes the outer catchment FBP advised should not be used to support new floorspace in Louth.

7.5 In particular, I consider that the trade draw from the Co-op (15%) and Morrisons (20%) is understated and particularly the former which is adjacent to the proposal site. It is interesting to note that the FBP study concluded impacts on the Co-op store from a smaller supermarket proposal (2,500 sq m as opposed to the proposals 3,759 sq m) will be greater (46%):

> *"The diversion of a substantial proportion of the Co-op's turnover would, in our view, raise doubts over the store's continued operation. While the Co-op has the ability to sustain substantial levels of trade diversion and, as a mixed goods retailer, the ability to diversify and alter its retail offer, we consider the store vulnerable to substantial increased competition and consider its long term survival unlikely in the new trading circumstances that would prevail following the development of a major new supermarket in the town."*

7.6 If the proposal site is deemed to be out-of-centre which I believe it is then this may be considered unacceptable to impact so negatively on an anchor edge-of-centre store that generates so much footfall for the town centre. Whilst the proposal is well related to the town centre it might act as more of a one-stop destination generating fewer linked trips due to the additional distance compared to the Co-op.

7.7 I disagree with the IPL statement (7.19) that local stores are unlikely to suffer significant impact because supermarkets such as the proposal also draw top-up trade that local stores and independents rely upon almost entirely for their turnover.

7.8 In its favour, the proposal will increase the retention level within the town, although not necessarily town centre, and there should be increased footfall for town centre stores and the Co-op at least arising from the proposal to partially offset any impacts.

7.9 IPL have also undertaken a health check of the town centre which looks to have slightly optimistic conclusions given the lack of investment and declining market share they refer to earlier. Clearly the Co-op in an important anchor store for the town centre and diverted trade may be less prone to making linked trips from the new store.

7.10 Overall I consider that impacts are understated by IPL particularly in comparison to FBP's assessment. My overall conclusion on impact is that for the above reasons there is a real risk of harm to the vitality and viability of Louth town centre arising from this proposal therefore the application should not be supported on the basis of the impact assessment submitted by IPL.

8.0 Accessibility

8.1 PPS6 (3.25) advises that in determining whether proposed developments are genuinely accessible, LPAs should assess distance from existing / proposed public transport facilities, frequency and capacity of public transport services and whether access for pedestrians, cyclists and disabled people is easy, safe and convenient.

8.2 LPAs must also assess whether the proposal is likely to have impacts on the overall distance travelled by car, local traffic levels and congestion, having taken account of any public transport and traffic management measures secured as a result of the development.

8.3 PPG13 Transport states that in considering applications for planning permission for employment, shopping and leisure uses LPAs should ensure that the development offers a realistic choice of access by public transport, walking and cycling.

8.4 In section 6 it was shown that unlike the two alternative sequential sites the proposal site is some distance from the town centre bus station located on the junction of Church Street and Queen Street. There is no indication in the IPL Retail and Planning Report as to the relationship of the site with public transport services but to my knowledge there are no bus services or stops within the vicinity of the site. The proposal will also result in the loss of town centre surface car parking

8.5 IPL advise the TA demonstrates the site is accessible contrary to the Chase & Partners conclusions on the site. IPL also advise that the TA also indicates that proposal will generate more sustainable shopping patterns by clawing back leakage to more distant centres. This may well be the case but such claims should be quantified particularly as IPL appear to be claiming increased trade will be drawn from the outer catchment area that is actually closer to Grimsby / Cleethorpes and / or Market Rasen.

8.6 I do not consider that accessibility should be a reason for refusal if the TA genuinely does demonstrate contrary to Chase & Partners conclusions that the site is accessible. However, the site is less well related to the town centre PSA and bus station than two sequentially preferable sites.

9.0 Other Material Considerations

9.1 PPS6 (3.28) sets out material considerations that may be taken into account in assessing planning applications including:

- physical regeneration;
- employment;
- economic growth; and,
- social inclusion.

9.2 The IPL Retail and Planning Report claims the proposal will add a quality building to the historic townscape of Louth. I'm not sure about this or the regeneration claims for redevelopment of a surface car park but the Council are better placed than me to pass comment.

9.3 IPL also claim the proposal will generate 200 jobs. Using the English Partnerships Employment Densities Manual I calculate the proposal will generate 98 jobs and using the 2.5 jobs = 1 full time equivalent (FTE) ratio recommended in the Manual this equates to 39 FTE jobs.

9.4 I therefore consider that little weight should be attached to the regeneration and employment claims of the proposal.

10.0 Conclusions

10.1 The proposal is for a Sainsbury supermarket with a gross external floorspace of some 3,759 sq m and a net sales area of 1,863 sq m. The proposal satisfies some but not all of the PPS6 (3.4) policy tests. As a general rule PPS6 (3.5) advises proposals should satisfy all the tests.

10.2 Contrary to the suggestion by IPL, the PPS6 quantitative need test has not been replaced / downgraded by the qualitative need test following the SoS Berwick decision. My conclusion on quantitative need based on the FBP study is that there is insufficient expenditure capacity once other claims on it are made such as the Queen Street commitment. I do not accept that the IPL benchmark and market share assessments are robust enough for conclusions on quantitative need to be drawn. IPL may want to address this criticism of their quantitative assessment in an update of the FBP assessment.

10.3 I agree that there is a strong qualitative need case for an improved convenience goods offer in the town. However, this has already been addressed by the Morrisons store and the Queen Street development will also greatly improve the town centre offer. The qualitative need identified by IPL is therefore not as pressing as that identified in the 2007 FBP study. I also consider that the Berwick decision referred to by IPL is not applicable in the case of Louth where circumstances are very different.

10.4 I agree with IPL's conclusions on the PPS (3.4) appropriate scale test that the proposal is of an appropriate scale for a town centre the size of Louth and the catchment area it seeks to serve.

10.5 The proposal site is not the most sequentially preferable site in terms of the three tests of availability, suitability and viability to meet the quantitative need identified by FBP. Both the Queen Street and Morrisons / Bus Depot sites are sequentially superior to the proposal site and are capable of accommodating this in a flexible format.

10.6 With regard to impact, I consider that the impacts estimated by IPL are understated particularly in comparison to FBP's assessment. I consider that there is a real risk of harm to the vitality and viability of Louth town centre arising from this proposal and in particular the edge-of-centre Co-op store that generates significant footfall for the town centre is likely to suffer unacceptable levels of trade diversion.

10.7 I do not consider that accessibility should be a reason for refusal if the TA genuinely does demonstrate contrary to Chase & Partners conclusions that the site is accessible. However, the site is less well related to the town centre PSA and bus station than two sequentially preferable sites.

10.8 There are no other material considerations in favour of the proposal as little weight should be attached to the regeneration and employment claims of the proposal.

10.9 My overall conclusion is that there is not a quantitative need for the convenience goods element of the proposal. There is a qualitative need but this PPS6 (3.4) is secondary to the quantitative need test. The proposal is of an appropriate scale for Louth and the catchment it seeks to serve. The proposal fails the sequential approach to site selection in terms of the three tests of availability, suitability and viability as there are two sequentially superior sites that are capable of accommodating the proposal in a flexible format. I consider that there is a real risk of harm to the vitality and viability of Louth town centre arising from this proposal and in particular the edge-of-centre Co-op store that generates significant footfall for the town centre is likely to suffer unacceptable levels of trade diversion. The site appears to be accessible although not as accessible by public transport as the two sequentially preferable sites. There are no other material considerations in favour of the proposal.

10.10 As a general rule PPS6 (3.5) advises proposals should satisfy all the PPS6 (3.4) considerations. I therefore recommend that the proposal should not be supported based on the supporting information submitted to date. IPL may want to submit additional information in support of the proposal in particular with regard to the three PPS6 (3.4) tests that in my view the proposal fails to satisfy. With regard to the quantitative need and impact assessments any additional information should be based on an <u>update</u> of the FBP (development plan) assessment in compliance with PPS6 (3.10).