

Retail Addendum Note Vauxhall Industrial Estate P/2012/0210

Introduction

NJL Consulting have prepared a retail addendum note to address the retailing issues raised within the consultation response prepared by the Head of Community Wellbeing and Development at Wrexham County Borough Council (Dated 26.4.12).

The note seeks to address the following points;

1. Sequential Approach
2. Household Survey Findings
3. Catchment Area
4. Accessibility
5. Retail Assumptions
6. Updated Retail Assessment

1. Sequential Approach

Within our supporting Retail Statement, we considered the former Flexys site as part of our sequential sites assessment. The Council do not contest that this site is sequentially superior to the application site, and therefore must agree with our conclusions on this site that does not represent a more suitable, available or viable alternative to the application site.

In relation to other sequential sites, we have considered the following;

Market Street, Rhos, Wrexham

This site is located within the centre of Rhos, and consists of the former HSBC Bank and existing residential property above, which has planning permission to convert the entire building into four two bedroom apartments.

This planning permission enables the renovation and conversion of the previous HSBC bank premises to provide four apartments with associated parking area. The property has a floor area of just over 2500ft² (232m²). The planning permission was granted by Wrexham Borough Council on 11th January 2012 (P/2011/0210) and the site is currently being marketed Swetenhams.

The size of the unit is too small to accommodate the proposed development, and it is currently being marketed for residential purposes. Therefore this site is considered unsuitable to accommodate the proposed development.

Ysgol y Wern, Hill Street, Rhos

This site is the former Ysgol Y Wern, which is approximately 1.43 acres and comprises of the original school building, car park area and playground. The site is located within an 'edge of centre' location, and is currently subject to a planning application (P/2012/0010) which seeks permission for the erection of 15 new dwellings.

This application has been submitted by Heed Developments, and is still in the process of being determined by Wrexham County Borough Council. The site is too small to accommodate the proposed foodstore, and is not currently available. Therefore, this site is unsuitable and unavailable to accommodate the proposed development.

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As requested at the application meeting, we have spoken to the Asset and Economic Development Department at Wrexham Borough Council to understand whether there are any potential sites within Ruabon which could accommodate the proposed development.

The only possible site which has been presented to NJL is a site known as 'High Street', Ruabon, which is 0.5ha in size. The site is currently occupied by a mix of uses, including public toilets and Council offices. The site also has an access road to the Council offices which runs through the middle of the development. It is our understanding that the Council is seeking a mix of uses within this location, and a development brief is currently being prepared for the site on this basis. This development brief does not allow for any retail provision within this location. There is no operator interest in the site or any specific proposals or applications that would suggest a food retail scheme is appropriate. Furthermore, the site is considered too small to accommodate the proposed development.

Therefore, this site is considered unsuitable and unavailable to accommodate the proposed development.

Further to the request of the Council, we have considered several other sequential sites within our catchment area. None of the sites we have identified are sequentially superior to the application site, and therefore we have demonstrated that the proposed development accords with the requirements of the sequential sites assessment.

2. Household Survey Findings

A 'snapshot' survey was undertaken during the pre-application stage to understand current shopping patterns within the local area. This survey interviewed a total of 120 individuals from postal sectors LL14 2 and LL14 6. This was not intended to be a major survey, merely an appropriate level of research to reconfirm / substantiate past survey work that has already been undertaken on a wider basis.

Our survey (See paragraphs 3.19-3.27 of Retail Statement) evidences that individuals living within these locations are still currently undertaking their main food shop at existing stores in out of centre locations around Wrexham, and that the existing out of centre Co-operative store in Ruabon is a popular top up shopping destination.

It is also important to consider the findings of the much more comprehensive survey work prepared by Sainsburys, which also evidenced that existing individuals within the catchment area are undertaking their main food shopping trips to existing out of centre stores within Wrexham.

More recently, a new out of centre Morrisons has opened to the west of Wrexham along Ruabon Road. This is a major new store with a wide range of facilities. Previous survey work was done before it opened. However, in our professional opinion this store will only serve to increase trade draw out of the Ruabon catchment as well as transfer shopping trips currently going to other stores around Wrexham.

3. Catchment Area

The catchment area that has been used in support of our proposed development replicates Zone A from the Sainsbury's Retail Assessment in support of their planning application for a new foodstore development at Ruabon Business Park.

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Zone A covers a range of postcode sectors which include;

- LL14 1
- LL14 2
- LL14 3 (55%)
- LL14 4 (75%)
- LL14 6 (55%)
- LL13 0 (25%)
- LL20 8 (25%)

This catchment area has been adopted by NJL Consulting as it represents the potential locations from which individuals will come from to shop within the proposed development. As the catchment area is not based entirely upon postcode sectors, we have only incorporated a percentage of this postcode sector within our retail assessment calculations.

We have undertaken drive routes around the area and visited the major housing areas. We have noted the locations of existing food retail provision and the existing shopping patterns that are occurring from past survey work. This has all informed our opinion that this catchment area is robust in retail planning terms.

The primary settlements within our catchment area are Rhos, Ruabon and Johnstown. These are the core settlement areas which will benefit from the location of a new main foodstore development at the application site. Cefn Mawr is located on the fringe of the catchment area, and therefore it is reasonable to still include this location within our overall catchment area. However, this does have a clear bearing on the influence of the new Tesco store.

Fundamentally, the Tesco has a different catchment area to the one we have considered for these proposals. They overlap due to location, hence what is important is to consider the amount of trade needed from each catchment and whether this is sufficient to justify another new store.

Tesco Store, Cefn Mawr

Within Appendix C, Table 2 of our Retail Assessment we have assumed that 25% of trade will be diverted from our catchment area to the Tesco store in Cefn Mawr.

The overall net convenience floorspace of this store is 1,431 sqm. Tesco had assumed that 80% of the overall convenience turnover (£13.5m) will be derived from their assumed Primary Catchment Area.

The applicant's catchment area incorporates the following postal sectors;

- LL14 1
- LL14 2
- LL14 3
- LL14 5
- LL14 6
- LL20 7

The catchment area used by Tesco in support of their application is **different** to that proposed by NJL Consulting. This catchment area is based upon different postcode areas, and seeks to attract

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individuals from a much greater geographical area. Tables 1 and 2 of the Retail Impact Assessment provide more details in relation to the overall amount of expenditure available within this catchment area.

Within the consultation response it outlines that the settlements of Trevor and Garth are located further away from the application site than the centre of Cefn Mawr, and that the proposed development would be less likely to draw trade from these locations than the Tesco store would at Cefn Mawr.

Whilst we agree that this store may be located closer, there are other key factors which contribute to why individuals undertake their main food shop in certain stores. This includes;

- Preference of a certain retailer
- Cheaper prices
- Quality of goods
- Range of goods available

It is therefore reasonable to assume that Tesco only derives 25% of expenditure from our catchment area. There is also sufficient expenditure available in its own catchment to not have to rely on further monies from our proposed catchment (See later).

4. Accessibility

The Council have outlined that there is a risk that the proposed development could actually increase the number of car journeys made by those living within the catchment area rather than reduce them, as parts of Wrexham town centre is more accessible by public transport than the application site. This is clearly not the case;

- Our survey results have only evidenced that 8.7% of individuals access their main food store via bus (5% of individuals from Zone A, as evidenced within Sainsburys survey work).
- The majority of individuals travel via car to undertake their main food shop.
- The stores that they are accessing are not defined as town centre locations (Sainsburys is out of centre), and this is further exacerbated by the Morrisons store which is operating within an out of centre location. There is also no direct service to these other stores from the Rhos/Ruabon area. Hence, people would have to make changes / multiple trips anyway to use public transport.
- The existing Tesco store in Wrexham town centre is located approximately 780m away from Wrexham bus station, and individuals accessing both locations will have to walk across four different roads.
- In support of our application, a Transport Assessment has been prepared which has calculated the 'transfer' of trips which will be undertaken as shoppers transfer to the new development at the application site. This evidenced a total reduction of 4.1 million km of the overall distance travelled by residents within the catchment area to foodstores, with individuals reducing their overall trip length by 6.5km.

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- The site currently benefits from an existing bus service which travels along Ruabon Road (All services outlined in Table 2.3 of Transport Assessment). This travels to locations such as Wrexham, Oswestry and Llangollen.
- Overall the proposed development will assist to reduce journey times for individuals within the catchment area when undertaking their main food shop.

5. Retail Assumptions

Co-operative & Convenience Store in Cefn Mawr

NJL Consulting has assumed that 85% of trade from the existing Co-operative store in Cefn Mawr and 95% of trade from 'convenience store' in Cefn Mawr will be derived from the catchment area. Given the role and nature of these stores, it is reasonable to assume that a high proportion of expenditure will be derived from the catchment area. However, in light of the Council's comments and reflection of the store location, we have reduced this figure to account for a greater proportion of trade from outside the catchment to support these stores.

Retail Commitment

We have updated our retail assessment to take into account the convenience store commitment in Rhos (P/2010/0745). This planning application was approved on 1st November 2010 and was submitted by 'The Watkin Jones Directors Pension Fund'. The site is located at the New Foundry Buildings, Johnstown, Wrexham, LL14 1LT, which is situated within an 'out of centre' location.

The site is currently being marketed for office development and does not appear to be coming forward for retail development in the near future. It is clear that this site has failed to attract any retail interest in this location, and therefore is likely to be continued to be used for office purposes.

Existing Centres

The Council considers that we have underestimated the impact the development will have upon top-up shopping within Rhos and Ruabon town centre.

The proposed development seeks to directly compete with the larger main foodstores, and therefore it is reasonable to assume that a significant proportion of trade will be derived from these locations.

Table 6 of our Retail Assessment has considered the likely levels of trade diversion which will take place as a result of this development. This assessment has been informed by professional opinion, a site visit to the area, the shopping patterns outlined in the household surveys and the likely trading profile of a main foodstore within this location.

It is also based upon feedback received during the consultation event, which outlined that a significant proportion of individuals currently undertake their main food shop at stores within Wrexham.

We accept that small levels of diversion will take place from existing stores within Rhos and Ruabon. However, this minimal level of trade diversion will not undermine the future viability of these stores, and they will continue to serve as key top-up shopping destinations within the centres.

In particular, it is the case that a base level of top up shopping is occurring at these locations despite the fact that the vast majority of main food shopping is carried out in much more distant out of centre locations. Whether or not a new large store is located on the proposed site, this position will not

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change. Indeed having a main food store in the immediate urban area of Rhos/Ruabon may in fact encourage people to use other services and facilities in the area more often.

Role of the Co-operative Store

The existing Co-operative Store in Ruabon is a popular top up food shopping destination. Most of its turnover is from top up shopping. The store is located within an out of centre destination, and has recently undergone a fascia upgrade by the Co-operative Group following their acquisition of the Somerfield Group.

Despite the store being a popular top-up shopping destination, we have evidenced that individuals are still travelling outside the catchment area to undertake their main food shop. Hence, it is the case that the main impact on the Co-op will be through limited transfer of top up shopping from there to the new store.

This also re-enforces the above point regarding the existing centre. The Co-op is in a more dominant location already and is a focus for most large scale top up shopping and passer by trade. In our view this also illustrates that the main top-up shopping impact will be on the Co-op store and not the existing centres.

Qualitative Need

Planning Policy for Wales (Feb 2011) advocates that the qualitative need for a retail development must be considered when determining retail planning applications.

In assessing the qualitative need for this development, we have identified several factors which are frequently considered when assessing the qualitative retail need of a development. Within the catchment area there are a range of existing foodstores. These range in size from 80 sqm to 1,431 sqm and are found within a variety of locations (centre/edge of centre/ out of centre) but the dominant providers are in out of centre locations.

There is only one store which is considered to be a 'main food' shopping destination, which is the recently opened Tesco store in Cefn Mawr. The remaining stores within the catchment area are predominately 'top up' stores, which serve the immediate surrounding areas and sell a more limited range and offer of items.

The new Tesco is of limited scale and, in our view, will not address the ongoing large scale leakage of trade outside the Rhos/Ruabon urban area. The goods range will be limited and cannot offer sufficient variety to compete with the larger stores in the wider Wrexham area, particularly with the recently opened Morrisons store. Indeed, we note that the Tesco case suggested it may have a lower than company average turnover which is not surprising given the format and scale being delivered.

Hence, there continues to be a strong qualitative need for a main food store provision that can genuinely retain people in the area rather than on longer trips to out of centre locations, which is again exacerbated by the new Morrisons store west of Wrexham.

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6. Updated Retail Assessment

To further evidence the quantitative retail need within the local area, we have undertaken a further assessment of the catchment areas for our proposed store and the existing Tesco store in Cefn Mawr.

We have enclosed a map illustrating both catchment areas.

Total Convenience Expenditure

Table 1 illustrates the overall amount of convenience expenditure available within our catchment area. The catchment area remains 'Zone A', however to provide a more clear and comparable breakdown of this location we have broken the catchment area into individual post code areas.

This table identifies that in 2017, there is a total convenience expenditure of £45.413m. This data has been sourced from Experian, and updates the previous data sources used as part of the planning application submission documentation.

Table 2 identifies the overall amount of convenience expenditure available within Tesco's catchment area, based upon the applicant's catchment area as outlined within their supporting documentation (Planning Statement). This identifies a total of £70.83m of convenience expenditure in 2017.

The combined convenience expenditure for both catchment areas in 2017 is £83.42m (Table 2a). This is lower than the sum of the above figures due to the overlap in catchment areas.

Benchmark Turnover of Existing Stores

Table 3 illustrates the overall turnover assumptions of existing stores which are located within our catchment area. This table has also been updated to include the permitted foodstore in Rhos (Application P/2010/0745).

This table estimates that the projected sales for all stores within this location to be £39.575m, with approximately £21.48m being derived from residents within our catchment area.

Expenditure Capacity

Table 4a illustrates the overall convenience expenditure capacity available within both catchment areas in 2017. This has assumed an overall convenience expenditure of £83.42m in 2017. If we deduct the benchmark turnover of all stores (Including the existing Tesco in Cefn Mawr) within both catchments (£39.572m), then approximately £43.84m of convenience expenditure derived from residents within both catchment areas is being spent outside both catchment areas.

The required level of turnover for the Tesco store from its' catchment is £13.6m (80% of its turnover), with the remaining 20% of expenditure to support the store derived from beyond Tesco's catchment area. Therefore, even within the Tesco catchment area, which has a total convenience expenditure of £70.83m (see table 1) there is still a sufficient amount of residual convenience expenditure available.

Table 4B illustrates the overall convenience expenditure capacity available within only our catchment area in 2017. This has assumed that an overall convenience expenditure capacity of £51.41m in 2017, of which £21.48m is currently being spent within existing stores in the catchment area. Therefore, a total of £29.92m of convenience expenditure derived from residents within the catchment area is being spent outside the catchment area.

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The required level of expenditure required to support our proposals from within the catchment area equates to £22.7m, which represents 85% of the entire turnover of the store. Therefore, taking the proposed development into consideration, this still allows for a further convenience capacity of £7.22m.

Therefore, it is clear that there is sufficient convenience expenditure capacity available within the Tesco catchment area to support both the existing Tesco store and allow for some element of expenditure from this location to be spent within the proposed development.

The proposed catchment area for our store only also demonstrates that there is sufficient convenience expenditure capacity to support the development, and this will not negatively impact upon the overall amount of expenditure available to support the existing Tesco.

Benchmark Turnover

Table 5 illustrates the anticipated benchmark turnover of the proposed store. An average sales density of £11,500 per sqm has been utilised, which represents an average figure for one of the 'big four' food retailers.

Applying this sales density to the net convenience floorspace proposed equates to a total turnover of £26.7m, of which we have assumed that 85% (£22.7m) will be derived from within the catchment area.

It is important to acknowledge that 'actual' turnover of the store could vary dependent upon the actual operator from this location. We have provided alternative turnovers below to illustrate this;

Floorspace Net Convenience (sqm)	Sales Density Per sqm	Total Sales	% of Sales from PCA	Sales PCA (£m)
2,323	£10,500	£24.39m	85	£20.7m
2,323	£11,000	£25.55m	85	£21.71m
2,323	£11,500	£26.71m	85	£22.70m
2,323	£12,000	£27.87m	85	£23.68m

Impact Assessment

Table 6 evidences the locations from which trade will be diverted upon to support the proposed development. This remains unchanged from the Retail Impact Assessment table contained within Appendix C of the Retail Statement.

Conclusions

- This Addendum Note has been prepared to address the retail comments made by Wrexham County Borough Council.
- We have undertaken a detailed assessment of our proposed catchment area and the Tesco Cefn Mawr catchment area. Both catchment areas have been combined, and this still evidences residual convenience expenditure to support both the existing Tesco store and our development.

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- There continues to be a qualitative need for main food retailing in the Rhos/Ruabon urban area and this is not addressed by the smaller scale format of the new Tesco store.
- This need is further exacerbated by new main food facilities in out of centre locations being provided around Wrexham.
- Such new facilities are leading to more trips heading out of the Rhos/Ruabon urban area to out of centre locations. This is an unsustainable pattern of development that needs reversing.
- The transport assessment prepared in support of this development has assessed the 'transfer' of trips which will be undertaken. This has identified that the proposed development will create a total reduction of 4.1 million km of the overall distance travelled by residents within the catchment area to foodstores, with individuals reducing their overall trip length by 6.5km.
- Following further research, there are no sequential sites in or on the edge of defined centres in the Rhos/Ruabon urban area that are suitable, available or viable. No further sites have been identified by Wrexham County Borough Council.
- There are no unacceptable impacts on defined centres. If anything, there is an opportunity to retain people in the Rhos/Ruabon urban area to link trips with other services, and notably with trips linked with work given the location of the proposals next to major employers in the area.