

**ABG/1615/51 – Tesco Stores Ltd
Demolition of Existing Garden Centre. Extension to Store and Car Park. Tesco, Marcham Road, Abingdon.**

1.0 The Proposal

1.1 Members will recall that this application was presented to Committee on 8 May 2006, when consideration was deferred. Extracts from the application plans are in **Appendix 1**. In brief the proposal can be summarised as follows:-

- The proposed extension to the store would increase gross floorspace from 9,275 sq.m to 11,765 sq.m and net retail floorspace from 6,365 sq.m to 8,361 sq.m
- The existing garden centre would be demolished and the car park extended by 180 spaces to a total of 853 spaces

1.2 The Committee report and minutes of the meeting of 8 May 2006 are in **Appendix 2**. The reasons for deferral were:-

- To consult the Environment Agency again about the potential impact of the proposed extension to the store and car park on flooding given the location of the site in the flood plain of the River Ock
- To re-examine the potential impact of the proposed extension on the vitality and viability of Abingdon town centre
- To examine the potential of the Cattle Market car park as a suitable and preferable site for retail development in lieu of some or all of the proposed extension

1.3 These issues will be explored further below. A further response has been obtained from the Environment Agency. The Council's letter and the response of the Environment Agency are in **Appendix 3**. A second retail consultant acting on behalf of the Council, Signet Planning, has examined the application and the conclusions of the original consultant. The second retail report is reproduced in **Appendix 4**. Tesco's agents disagree with parts of the second report and their response is in **Appendix 5**.

1.4 For clarification, Members are reminded that the application is a departure from the development plan and has been advertised as such. Consequently, should Members resolve to grant planning permission, a decision cannot be made at the Meeting. Instead, the application would have to be referred to the Secretary of State for consideration as to whether it should be the subject of "call-in" for a public inquiry. There is an initial period of 28 days (which can be extended) for the application to be considered under this procedure before the Secretary of State has to decide.

2.0 Planning Policy Guidance

2.1 Since the Meeting of 8 May 2006, the Council has adopted the Vale of White Horse Local Plan 2011. Policy S1 states that new retail development should be permitted within existing town centres or local centres. Policies DC13 and DC14 seek to prevent new development that will worsen flooding through new building or additional surface water run-off unless adequate mitigation or compensation measures can be implemented. Policy TR2 states that development which is likely to generate more traffic should include measures to improve sustainable transport choices and reduce reliance on the car. Policies DC1, DC5 and DC9 require all new development to be acceptable in terms of design, impact on neighbours and highway safety.

2.2 The relevant national guidance is provided by PPS 6, "Planning for Town Centres".

3.0 **Consultations**

- 3.1 Abingdon Town Council – Object - “Members considered the submission of additional information in connection with the planning application for Tesco and the suitability of the Cattle Market car park as a site for retail development. After discussing the tenor of the new report, Members strongly opposed the application as it was felt that the Town Council has a duty to encourage the vitality of the town centre. The committee felt that increasing the trading space of Tesco would have an adverse effect on the town centre and, in particular, any new stores wishing to open in Abingdon.”
- 3.2 Abingdon Chamber of Commerce - Object for the reasons in **Appendix 6**.
- 3.3 Sackville TCI Property (GP) Ltd - Object for the reasons in **Appendix 7**.

4.0 **Officer Comments**

- 4.1 The application was deferred to consider two main issues:-
1. The impact on flooding
 2. The impact on Abingdon town centre, including the potential to use the Cattle Market car park for retail development
- 4.2 With regard to the first issue, the Environment Agency has re-examined the potential impact on flooding, with particular regard to the ratio of permeable and impermeable area on the site. The applicants have supplied additional information to show that proposed changes to surfacing that will be made across the whole site will result in a slight improvement of the existing ratio as follows:-

| | Permeable Area (m ²) | Impermeable Area (m ²) | Total (m ²) |
|----------|----------------------------------|------------------------------------|-------------------------|
| Existing | 20,257 | 46,900 | 61,157 |
| Proposed | 22,023 | 45,134 | 61,157 |

The Environment Agency has confirmed that there will be no increase in flood risk from surface water run-off. A condition can be imposed to ensure that the proposed changes in surfacing are carried out across the site.

- 4.3 With regard to the second issue, this can be usefully explored by reference to the tests established in the national guidance, PPS 6, relative to the conclusions of Signet Planning and the concerns raised by Abingdon Town Council and Abingdon Chamber of Commerce.
- 4.4 PPS6 states that applications for new retail floorspace outside an existing town centre should be assessed against the following criteria:-
1. The need for the new floorspace
 2. Whether the proposed floorspace is of the appropriate scale or size
 3. That there are no more central sites available for the development
 4. That there are no unacceptable impacts on existing retail centres
 5. The accessibility of the development

Need

- 4.5 Before an application for new floorspace can be accepted a need for it has to be demonstrated. This need can be based on a quantitative argument or a qualitative argument, or both. Tesco's agents have advanced both in this case.
- 4.6 PPS 6 states that a quantitative argument should be considered over no longer period than up to 5 years ahead (ie in this case by 2011) and should be based upon the retail assessments carried out for the local plan. In this case, a Shopping Review was carried out by the Council's consultants Nathaniel Lichfield & Partners (NLP) in 2004 as part of the preparation of the new local plan. This review used data from a variety of sources to estimate the 2004 level of turnover in convenience and comparison goods in the retail catchments of the four main settlements in the Vale (Abingdon, Wantage, Botley and Faringdon). Projections about future growth in expenditure to 2011 were then made, again using national statistics. For Abingdon, these calculations predicted a significant surplus in expenditure for both convenience and comparison goods as follows:-

| | 2007 | 2011 |
|---------------------------|--------|--------|
| Convenience goods surplus | £1.81M | £7.33M |
| Comparison goods surplus | - | £8.11M |

- 4.7 Given the projected surplus in spending on shopping in Abingdon by 2011, Tesco's agents argue that there will be sufficient additional spending capacity within the town to support the proposed Tesco extension at its anticipated sales density and the existing shops in the town centre by 2011. Signet Planning agrees that, even assuming a higher sales density figure for the extension than Tesco's agents, and a worse case scenario in terms of how much trade is diverted from the town centre (that is 50% of the additional trade for the Tesco store is deflected from town centre shops), there will be enough projected surplus spending capacity in Abingdon to support the proposed Tesco extension by 2011 without harm to the town centre.
- 4.8 In terms of the turnover of the extension, it is established practise to assume that it takes approximately 18 months after the completion of any new retail floorspace for it to achieve a stabilised turnover. Assuming a 12-18 month construction period, this means that the extended Tesco could be operating at its estimated trading level by mid-2010. This is close to the time when the predicted level of retail expenditure that would support both the extended Tesco and the town centre stores would have arrived.
- 4.9 In coming to these conclusions, Signet Planning acknowledge that much of the information concerning quantitative need is theoretical, but that this is the established national practise for assessing retail applications.
- 4.10 Tesco's agents have also argued there is a qualitative need for some of the proposed floorspace, in that it would, for example, allow greater space between aisles and around tills to improve the quality of the store for customers. They argue that the current store is "over-trading", ie suffers from in-store congestion, which lowers the quality of the store. However, they have not been willing to provide trading figures to support this claim due to commercial confidentiality.
- 4.11 In the absence of trading figures from the store it is difficult to assess this argument. Moreover, although an indicative proposed store layout has been submitted showing some wider aisles, this does not form part of the application. In any event the final layout of the store is an operational matter for Tesco itself and cannot be controlled via a planning application. In light of this, the Council's retail consultants and Officers have attached limited weight to this argument, but have relied instead upon the quantitative argument in assessing the need for the proposed floorspace.

Scale of the Proposal

- 4.12 This issue is concerned with the “retail hierarchy” of centres and seeks to ensure an appropriate relationship between the total amount of retail floorspace and the “rank” of the centre in the retail hierarchy. Using the hierarchy in Annex A of PPS 6, Abingdon is a second level centre below the top level represented by city centres like Oxford and Swindon. Both the Council’s retail consultants, and Officers, consider that the amount of proposed floorspace is compatible with the rank of Abingdon in the retail hierarchy.

Sequentially Preferable Sites

- 4.13 Where an application is made for new retail floorspace outside the town centre, PPS 6 requires applicants to examine the potential use of alternative sites for the proposed floorspace either within the town centre or closer to it. These sites have to be assessed in terms of three aspects:-
1. *Are they available for use?*
 2. *Are they suitable for the proposed development ?* PPS 6 states here that applicants have to demonstrate flexibility in terms of scale, format and the ability to divide up floorspace into smaller coherent elements, but also that local planning authorities have to be realistic about these issues and cannot expect retail operators to occupy sites where there are genuine problems in operating their particular business model - for example, where there would be a significantly reduced range of goods sold. With respect to Tesco, therefore, it would not be reasonable to expect it to operate from one or more vacant shop units within Abingdon, given the small size of these units and the impact on the range of goods that could be sold. Taking this stance would be contrary to national guidance.
 3. *Is the use viable on the site?* This is also likely to be a problem with using vacant shop units given the particular business model that Tesco operates.
- 4.14 The following sites in Abingdon town centre have been examined by Tesco’s agents with the following results:-
- Bury Street Precinct – any units available are too small to be realistic
 - Former cinema site – formerly allocated partly for retail development but now fully developed by housing
 - Vineyard development area - formerly allocated partly for retail development but now fully developed by Waitrose and housing
 - Royal mail sorting depot, Ock Street – not available
 - Knights builders merchants, Ock Street – not available
- 4.15 Signet Planning have re-considered these sites and agree with the conclusion that they are not suitable as alternatives to the proposed extension. At the Committee Meeting of 8 May 2006, it was suggested that another site, the Cattle Market car park, should be examined as a potential site for the development. Signet Planning has examined this option and has concluded that the car park is not suitable as a retail site for the following reasons:-
- The site is relatively small and, accounting for parking and servicing area, could support only a small store, even if it were on two floors
 - Small stores need the support and presence of adjacent stores to survive. The Cattle Market car park is in a very marginal position relative to the town centre and is well divorced from the retail area, both of which significantly weaken its potential as a retail site
- 4.16 For these reasons, Signet Planning considers the Cattle Market is not a realistic site for retail development.

Impact on Existing Retail Centres

- 4.17 The existing retail centre that is potentially affected by this proposal is Abingdon town centre. With regard to this issue, PPS 6 lists the following relevant matters which should be taken in to account:-
1. The risk to the spatial planning strategy for the existing centre
 2. The likely impact on trade/turnover in the existing centre
 3. The likely impact on the number of vacant properties in the centre
 4. The likely effect on future investment needed to safeguard the vitality and viability of the existing centre
- 4.18 Of direct relevance to the first three of these is the conclusion of the 2004 Shopping Review that there will be sufficient growth in retail expenditure in Abingdon to support the larger Tesco and the existing town centre stores by 2011. This support would exist even if a worse case scenario is assumed where 50% of the additional trade attracted to Tesco from the Abingdon area is diverted from existing town centre stores. This means it is not reasonable to argue that there will be harm either to the planning strategy, which seeks to support the town centre, or to retail turnover or vacancies in the town centre.
- 4.19 With regard to the fourth matter the company with the lease for the Bury Street Precinct, Sackville TCI Property (GP) Ltd, has formally objected to the proposed extension to Tesco. The objection letter is in **Appendix 7**. In November 2006 Sackville announced a significant investment programme for the Precinct. In February 2007 two planning applications were submitted for a two-stage programme of works to the Precinct. The first of these was a full application for the refurbishment of the Precinct, while the second was an outline planning application that proposed extending and amalgamating some of the shop units and the construction of a new unit. These applications were considered by Committee on 23 April 2007 when it was resolved, in both cases, to delegate authority to grant permission.
- 4.20 A copy of the objection letter submitted by Sackville and copies of the two planning applications were sent to Signet Planning for consideration. The question for Signet Planning to consider was would the investment in the Precinct be put at risk by the Tesco proposal. The response is in **Appendix 8**. Signet Planning consider that the objection of Sackville is insufficient to warrant refusal of the application for the following reasons:-
- The proposed refurbishment of the Precinct (stage one) would have to take place in any event and would not be affected by the Tesco extension
 - The fact that the plan to extend and amalgamate some shop units (the stage two proposal) has been made as an outline application, rather than a full application, suggests this is a longer term plan for which decisions would not be taken for some time yet.
- 4.21 The Chamber of Commerce has referred to the re-development of the Co-op in West St Helen Street and the potential re-development of the Charter as additional possible development opportunities which may be threatened by the Tesco proposal. Officers understand the Co-op is committed to implementing the most recent application to rebuild the store with flats above, and that there are no investment plans for the Charter. Consequently, Officers do not find evidence that investment in these sites is being compromised by the proposal and do not agree that this is a reason to refuse the application.

The Accessibility of the Development

- 4.22 It is acknowledged that the site is an out-of-centre location that is less sustainable than a site in the town centre. Tesco operates dedicated buses from the store to various locations but it is clear that the vast majority of customers travel to the site by car. However, as no more accessible site has been identified for the proposal, Officers consider that this argument could

not be used to refuse the application. The County Engineer agrees with this conclusion and does not object to the application. He has requested a contribution to ABITS of £485,000 with the intention that it be used where possible on schemes to improve access to the site by means other than the car.

5.0 **Conclusions**

5.1 With regard to flooding, the Environment Agency has confirmed it has no objections to the proposal.

5.2 With regard to retail policy, Signet Planning has examined the application and agrees the following –

- There is a quantitative need for the proposed floorspace
- There are no sites either in or close to the town centre available for the development
- There should be no adverse impact on the vitality and viability of Abingdon town centre
- It is not reasonable to argue that the extension would inhibit necessary retail investment in the town centre

5.3 There is considered to be no objection on the grounds of accessibility.

6.0 **Recommendation**

6.1 *It is recommended that authority to grant planning permission is delegated to the Deputy Director Planning and Community Strategy, in consultation with the Chair and Vice-Chair, subject to:-*

- i) referral of the application to the Secretary of State and to her deciding not to make the application the subject of call-in; and*
- ii) conditions, including materials, parking layout, landscaping, slab levels, details of works on permeability of the site, and to cover amended plans;*
- iii) a Section 106 Obligation to secure the financial contribution to ABITS.*