



**APPRAISAL OF THE SHOPPING STUDY SUPPORTING PLANNING APPLICATION  
REFERENCE CB/10/04238/FULL RELATING TO A PROPOSAL FOR THE EXTENSION OF  
THE TESCO SUPERMARKET AT VIMY ROAD, LEIGHTON BUZZARD**

**Central Bedfordshire District Council**

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## 1. INTRODUCTION

1.1 This report is a response to instructions from Central Bedfordshire District Council to secure consultancy advice upon the proposed extension to the Tesco supermarket at Vimy Road, Leighton Buzzard. The particular advice is set down on page 2 of the Council's briefing letter dated 30/11/2010.

1.2 The report examines the applicant's Retail Planning Assessment (the Assessment) prepared by Martin Robeson Planning Practice, in terms of the following considerations:-

- Are there any omissions in the Assessment which are likely to be of major significance for the integrity of the conclusions?
- Are the various inputs to the Assessments acceptable and robustly supported by the planning evidence?
- The Assessment is reviewed in terms of its retail impact implications and where it is felt the process has not produced a robustly reliable analysis we have introduced our own modifications to the process.

1.3 This critical appraisal takes each of the main considerations in turn (not necessarily in the order they appear in the Assessment) and considers whether there are omissions in the material and, if so are they significant? When considering the retail analyses and in particular the impact implications, we followed where possible the format of the Assessment and at times reorganised the material where it is felt greater clarity is achieved. At times the analysis is extended where we consider there is an omission but using the data and information within the Assessment. This approach has necessarily involved a significant amount of repetition in order that the Council can understand any modifications we have introduced.

- 1.4 In undertaking these exercises, we have relied upon the material contained within the Assessment and the Luton and South Bedfordshire Retail Study – the 2005 original report and the 2009 updated report. We have undertaken no independent research upon the issues but our experience has enabled us to add to the analytical process.
- 1.5 Our original draft report raised a number of concerns relating to the impact of the proposal upon the emergent town centre scheme known as Site South of High Street. In consequence we have further investigated the scheme through discussions with the Council Officers and their consultants handling this project, GVA Grimley.
- 1.6 We have inspected the application site and generally appraised ourselves of the nature and content of Leighton Buzzard Town Centre and the site know as Land South of High Street (LSHS).
- 1.7 This appraisal is confined to the economic impact considerations set down under policy EC16 of PPS4 to include the forecast diagnosis of sales generated by the proposed development and its implications for current and future investment in Leighton Buzzard / Linslade Town Centre and its vitality and viability. It does not engage with the sequential test issue except insofar as we were asked to draw the LSHS into our analysis.

## 2. THE RETAIL CONTENT OF THE PROPOSED DEVELOPMENT

2.1 The proposed development is for an extension to the existing Tesco supermarket and comprises:-

	Existing store m <sup>2</sup>	Proposed extension m <sup>2</sup>	Total m <sup>2</sup>
<b>Gross Area</b>	5,949	-	-
<b>Sales Area:</b>			
<b>Convenience</b>	2,639	511	3,150
<b>Comparison</b>	466	1,014	1,480
<b>Sales Area Total</b>	3,105	1,525	4,630

2.2 The Assessment explains in paragraph 4.2 that the purpose of the scheme is to deal with the over-trading situation which the Retail Study calculated was generating convenience sales 78% above company average (Table 6, Retail Study) and which was manifesting itself in store by an inability to house sufficient stock, conflict between shoppers and shelf stocking operations and over-crowding in the aisles and check-outs.

2.3 The Assessment notes that the comparison offer of the existing store is limited and in that respect compares unfavourably with superstores in the surrounding towns. The increased comparison offer is directed to improving the range and choice of goods for customers. Table 1, paragraph 4.5 sets down the scale of various competing supermarkets in nearby towns.

2.4 The development will involve the loss of the existing Homebase DIY warehouse and the Assessment claims that as some 400m<sup>2</sup> sales of that unit is devoted to comparison sales which will be found in the extended Tesco – electrical appliances, kitchenware and homeware goods – the net provision of new comparison floor space is 614m<sup>2</sup> and

the total 1,080m<sup>2</sup>. We consider this a reasonable adjustment for assessing trading implications although a review of Retail Rankings shows the turnover of the Tesco floorspace will be markedly higher than the Homebase sales density. It would have been more accurate for the Assessment to adjust the 400m<sup>2</sup> sales floorspace downwards to reflect this consideration.

- 2.5 The Assessment explains that the turnover of the Tesco extension is based upon on company benchmark trading levels. In relation to convenience sales, however, those base figures have been adjusted to reflect the fact that the floorspace is an extension to an existing store and not wholly new floorspace. Paragraph 7.26 explains that in these circumstances, the company has found that turnover equates to roughly a third of the existing sales level. The broad reasoning behind the phenomenon is that the attraction of the store has already been established and the extended floorspace does not exert a similar trading attraction. The Assessment cites the Kidlington Appeal as accepting this approach and we are aware of other examples. One third of the current sales of £18.552mpa equates to a benchmark turnover of £6,184 per m<sup>2</sup> and applied to the convenience floorspace of 511m<sup>2</sup> gives rise to increased sales of £3.16mpa.
- 2.6 We are content this is an acceptable means of assessing the convenience turnover of the extension.
- 2.7 Paragraph 7.36 explains that adopting a benchmark sales ratio of £6,000 per m<sup>2</sup> the 614m<sup>2</sup> of new comparison goods floorspace will generate sales of approximately £3.68mpa.
- 2.8 We consider the projected turnover figures acceptable for the purposes of the retail analysis.

### **3. THE LOCAL SHOPPING STRUCTURE**

3.1 The nature and function of the shopping facilities in the sphere of influence of the proposed store and the prevailing expenditure flows are a critical context for assessing the implications of a major extension to a large supermarket. This section, therefore, undertakes a review of the material within the Assessment.

3.2 The household survey underpinning the Retail Study divided the study area into some 14 Zones. Zone 7 is drawn tightly around Leighton Buzzard and beyond, is surrounded by Zone 8 which extends north to abut the outer suburbs of Milton Keynes (Zone 14) and south to include Tring. The town of Dunstable lies some 10km to the south-east on the border of Zones 5 and 6.

#### **Leighton Buzzard**

3.3 The Assessment does not provide a comprehensive descriptive analysis of the centre but refers to the updated 2009 Retail Study, which offers a much fuller picture of its facilities and retail offer.

3.4 Paragraph 4.34 describes the shopping core as being focussed on Market Square and four radiating roads, High Street, Lake Street, Hockliffe Street and North Street. It is an historic market town providing for the shopping and service needs of the local population and rural hinterland.

3.5 The convenience sector is appraised in paragraph 4.38. The Retail Study refers to it having a reasonably good representation consisting of a Waitrose supermarket, an Iceland and modest range of small independents. The Retail Study takes the view that there is a good spread of traders amongst the comparison goods outlets including bulky goods categories. A large Morrisons store has been introduced at the periphery of the

town centre and the Retail Study considers it is the Waitrose and Morrisons which are geared to main food shopping although paragraph 5.13 of the original study recorded that Tesco attracted over half (55%) of the main food shopping. The Retail Study is of the view that the town centre's convenience shopping role has declined significantly in recent years as a consequence.

3.6 The Tesco store is described in paragraph 5.3 of the Assessment as being centrally located between Leighton Buzzard and Linslade and paragraph 6.34 of the Retail Study refers to it being an edge of centre facility. However in the planning appeal (reference APP/N0220/A/02/1095401) which refused consent for an extension to the store in 2003, the inspector defined it as an out of centre facility. Subsequent to all the above pronouncements has been the publication of PPS4 and its related practice guidance which sets the parameters for an edge of centre location as being up to 300 meters of easy walking distance of the primary shopping frontage. Measurements undertaken by the Council Officers reveal that the distance between the nearest point of the Tesco store site and the beginning of the primary shopping frontage at numbers 9/11 High Street is some 390 meters: to the store entrance the distance is 550 meters. Accordingly, the store would appear to be an out of town centre facility.

3.7 The supermarket provision is defined in Table 6 of the study:-

***Leighton Buzzard Town Centre***

	<b>Net floorspace m<sup>2</sup></b>	<b>Net convenience floorspace m<sup>2</sup></b>
<b>Morrisons</b>	2,270	2,050
<b>Waitrose</b>	1,286	1,000
<b>Iceland</b>	557	450



**Leighton Linlade Other**

	<b>Net floorspace</b>	<b>Net convenience floorspace</b>
	<b>m<sup>2</sup></b>	<b>m<sup>2</sup></b>
<b>Tesco</b>	3,105	2,639
<b>Co-op</b>	948	850
<b>Aldi</b>	1,250	1,000

3.8 The composition of the centre as at 2008 is set down in paragraph 4.53, figure 4.6 of the Retail Study:-

	<b>Number of Units:</b>
<b>Convenience</b>	7
<b>Comparison</b>	47
<b>Service</b>	39
<b>Vacant</b>	1
<b>Miscellaneous</b>	6

3.9 There is a discrepancy between the above Table and paragraph 4.55, which refers to 13 vacant units in the town centre representing around 6% of all units. This is about half of the then national average.

3.10 The comparison offer is limited by the proximity of the major regional centre of Milton Keynes, about 18km away, which dominates trading patterns in this part of the County. Key multiple traders include WH Smith, Argos and Boots along with a small selection of clothing and footwear nationals. The Retail Study takes the view that there is a good spread of traders among the comparison traders, including bulky goods categories.

- 3.11 The town centre has a wide range of service and leisure outlets.
- 3.12 The market share data from the household survey provides an analysis of the retail function of Leighton Buzzard centre. Table 5 of the study reveals that the Leighton Buzzard / Linslade centres account for 94% of potential convenience sales within Zone 7 and 18.8% from Zone 8. The town centre attracts both main food and top up sales from an unusually wide area – 9 of the 14 Zones – which may be due to the fact that Morrisons and Waitrose are far less frequently represented throughout the study area than the other majors and thereby offer greater choice.
- 3.13 Table 6 of the Retail Study shows that of the £39.9mpa estimated turnover of the three supermarkets in Leighton Buzzard Town Centre, £22.8mpa was attributable to Morrisons and £15.3mpa to Waitrose. The three supermarkets located in Leighton Linslade Other had combined sales of £55.6mpa of which £51mpa was attributable to the Tesco store. The turnover figures in Table 5 do not exactly correlate to the above but demonstrate that of the £99.6mpa turnover of the Leighton Buzzard / Linslade centres, £69.8mpa represented main food shopping and £30mpa top up sales.
- 3.14 The retention of comparison expenditure varies dramatically between different types of expenditure sectors. Table 4 of the Retail Study relating to the share of expenditure on clothing and footwear reveals that Leighton Buzzard Town Centre retains just 8.6% of such sales with leakages from Zone 7 accounting for 87.9% of potential sales. In relation to Electrical Goods, the retention rate is 34.5% and for Other Non-food goods, 56.2%. Nearly the whole of the balance of expenditure is due to leakage and the 2005 Retail Study suggests that the lion's share is taken by Milton Keynes.

## Summary

- 3.15 The survey and expenditure data indicates that Leighton Buzzard / Leighton Linslade has a fairly well defined catchment area for convenience shopping comprising Zone 7 and the northern part of Zone 8. Table 4 of the original 2005 Retail Study shows that Aylesbury drew 51% and Tring 19% of the main food convenience expenditure from Zone 8. Limited expenditure is drawn from beyond those boundaries and Table 5 of the 2005 Retail Study reveals that the potentially large attractors of custom – Milton Keynes, Luton and Dunstable – attracted only modest levels of expenditure from Zones 7 and the northern part of Zone 8. This confirms our view that customers will attempt to meet the convenience shopping requirements as close to home as possible.
- 3.16 Predictably, those comparison sales demanding a wide choice – clothing and footwear – are drawn away to the major centres. Table 4 of the updated Retail Study shows very substantial leakages from Zones 7 and 8 and we would agree with the Retail Study (paragraph 8.54) that Milton Keynes is a major competitor for this type of expenditure. The more standard merchandise requirements, requiring less choice, tend to be accommodated in the smaller, more local centres, Leighton Buzzard attracting a significant proportion of the potential expenditure upon the latter goods.
- 3.17 Our conclusions are that the facilities in Leighton Buzzard / Leighton Linslade provide a comprehensive convenience shopping service for the town and its immediate hinterland. There is no obvious substantial leakage save from the southern part of Zone 8 where 70% of sales are drawn to Aylesbury and Tring according to the 2005 survey. Given the location of those centres we would agree with paragraph 7.27 of the Assessment that there is probably some potential for drawing further expenditure from this area in terms of 'closest to home' considerations.
- 3.18 Whilst expressed in different form, our conclusions upon the retail function of Leighton Buzzard matches those of the Assessment.

#### **4. RETAIL PLANNING ISSUES**

- 4.1 The Practice Guidance issued in association with PPS4 advises upon a range of inputs necessary to ensure that the evaluation of proposals is based upon a full appreciation of the key considerations. This section briefly reviews the Assessment in terms of a number of those issues.

##### **Study Area**

- 4.2 The study area is set by the Retail Study and embraces the Leighton Buzzard area and its wider catchment area. The area to the west (in Buckinghamshire) is not included and this territory falls very much into the sphere of influence of Milton Keynes and Aylesbury. Accordingly, we consider the study area employed in the Assessment provides a reliable base for the retail analyses.
- 4.3 The household survey is now somewhat dated but it is considered to provide a reliable basis for broadly determining present day expenditure flows.

##### **Population**

- 4.4 The population projections employed in the Assessment are lifted directly from the Retail Study. Table 1 relies on projections to 2016 from MapInfo. Projections for Zones 1 and 5 are based upon predicted housing growth (Appendix J) and for the remaining Zones employ average Bedfordshire population growth for the period 2016 to 2021 of 2.5% and for 2021 to 2031 at 7.3%. (From Bedfordshire County Council Population Estimates and Forecasts 2007).
- 4.5 We have no reason to dispute these figures.

## **Expenditure**

- 4.6 The convenience expenditure is based upon the 2005 figures from MapInfo as employed in the Retail Study. Thereafter the Assessment modifies the original Retail Study assumptions by employing the advice of MapInfo Retail Expenditure Guide 2010/2011, which anticipates real growth of 0% over 2005/2006, 0.4% over 2006/2007, -1.5% over 2007/2008 and -2.7% over 2008/2009. Thereafter a growth rate of 0.4% is used for the period 2009/2031. Special forms of trading are excluded at 1.3%.
- 4.7 Similar adjustments have been made to the comparison expenditure growth rates used in the Retail Study using MapInfo Retail Expenditure Guide 2010/2011. Over the period 2005/2006 real growth is taken at 4.9%, for 2006/2007 at 2.8%, for 2007/2008 at 3.8% and for 2008/2009 -0.3%. Between 2009 and 2015 the growth rate is forecast at 3.7% and between 2016 and 2031 at 3.8%. Special forms of trading are excluded at 7.4%.
- 4.8 The above forecasts are drawn from a recognised source and are considered acceptable save that more recent advice from Oxford Economics indicates that the SFT element should be appreciably higher. The consequence is that the residual balance of expenditure upon which floorspace assessments are based is too high.

## **Benchmark turnovers and efficiency rates**

- 4.9 The benchmark turnovers for convenience and comparison retail floorspace are taken from more recent data than employed in the Retail Study, namely Retail Rankings 2010 and MapInfo Retail Expenditure Guide 2010/2011.

4.10 There are concerns over the efficiency ratios employed by the Assessment which are based upon the now somewhat dated assumptions of the Retail Study.

4.11 No allowance has been made for increased trading efficiency of convenience floorspace. Advice from MapInfo 2010 / 2011 suggests that over the medium term, a growth of 0.5% per annum might be expected. A recent retail exercise undertaken by Savills in association with Oxford Economics suggests a multiplier of 0.4%.

4.12 It is not normal for no allowance to be made in respect of these factors. Indeed the same consultants, White Young Green, in constructing their shopping study for the Luton and Beds area included efficiency ratios in computing floorspace requirements. Accordingly the resultant trading capacity figures of the existing floorspace is well below those contained in the Assessment. Adopting the most recent information and employing an efficiency factor of 0.4% per annum produces the following changes to the sales capacity of facilities in Leighton Buzzard contained in Table 5 of the Assessment:

	2008		2011		2016		2021	
	Original £mpa	Modified £mpa	Original £mpa	Modified £mpa	Original £mpa	Modified £mpa	Original £mpa	Modified £mpa
<b>Turnover of facilities in Leighton Buzzard</b>	95.32	-	95.32	96.47	95.32	98.41	95.32	100.4

4.13 These sales capacity figures, worked through convenience Table 5, produces lower floorspace capacities:

	2008		2011		2016		2021	
	Original	Modified	Original	Modified	Original	Modified	Original	Modified
	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
<b>Floorspace capacity</b>	1,148	-	1,141	1,046	1,474	1,217	1,891	1,468

4.14 The Assessment assumes comparison floorspace will improve its efficiency by 1% although the source is not declared. MapInfo 2010 / 2011 advised the adoption of a ratio of 2% as compared with the 1.8% per annum emerging from the Savills / Oxford Economics analysis. Adoption of the lower multiplier gives rise to the following changes to comparison Table 4 of the Assessment:

	2008		2011		2016		2021	
	Original	Modified	Original	Modified	Original	Modified	Original	Modified
	£mpa	£mpa	£mpa	£mpa	£mpa	£mpa	£mpa	£mpa
<b>Turnover of facilities in Leighton Buzzard</b>	73.47	-	75.7	77.5	79.56	84.74	83.61	92.65

4.15 Table 4a of the Assessment builds into the calculations the 0.1% increase in retention due to the Tesco extension and new retail facilities introduced on Land South of High Street by 2016. The combination of this change and the above modified turnover of facilities produces floorspace capacities lower than those shown in comparison Table 4 of the Assessment:

	2008		2011		2016		2021	
	Original	Modified	Original	Modified	Original	Modified	Original	Modified
	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
<b>Floorspace capacity</b>	-	-	2,648 (1)	2,133	6,691	5,281	11,798	9,462

(1) Corrected figure

**Catchment Area**

4.16 The household survey demonstrates a catchment area for convenience expenditure concentrated on Zone 7 and with further significant trade drawn from the northern part of Zone 8; peripheral attraction is exerted in Zone 4. The Assessment notes in paragraph 7.28 that Leighton Buzzard attracts 19.3% of the Zone 8 main food shopping trips and then goes on to claim that it would not be unreasonable to assume a 4% increase being available to Leighton Buzzard equivalent to £3.12mpa.

4.17 It is not known where the 4% increase has come from but it is clear that it must arise largely from a greater penetration of the rural hinterland immediately around Leighton Buzzard. Areas to the south are within the sphere of major stores in Aylesbury and to the north, Milton Keynes. Without knowledge of the expenditure draw from this restricted area, it is difficult to gauge the reasonableness of the 4%, but from our earlier analysis, it would appear that the northern boundary of Zone 8 adheres closely to a 'nearest to home' catchment zone, where one might expect the majority of trade to find its way into the nearest centre. Against this analysis it would appear to us that the 4% increase over the whole of Zone 8 is a reasonable proxy for a comparatively high retention rate in the northern sector of the Zone.

4.18 The household survey similarly defines the comparison catchment area of Leighton Buzzard by reference to the extent of different types of comparison expenditure retained by the centre. Paragraph 7.35 of the Assessment draws attention to the



comparatively low amount of such sales being attracted from Zone 7 and the very modest percentages applied to Zone 8. We take the view that clothing and footwear always gravitates to the major centres with their extensive choice and one would not expect a centre the size of Leighton Buzzard to retain a high proportion.

Nonetheless, 7.9% is considered unusually low and the other percentages relating to electrical goods and other comparison goods, modest. It is difficult to gauge the percentages in relation to Zone 8 because of the influence of Aylesbury, but even allowing for this consideration, the figure appears conservative.

4.19 The Assessment makes the assumption that Leighton Buzzard will increase its retention rate by 0.1% as a consequence of the Tesco extension and the retail development South of High Street. This is a very cumbersome exercise because it is based upon the towns retention rate across all zones in the study area. However, the increase of expenditure is £2.361mpa in 2011, around 3% of the comparison sales in Leighton Buzzard which would suggest that the 0.1% uplift is not an unreasonable adjustment of the wider retention rate. Our thinking has, in part, been influenced by the large capacity for increased comparison sales suggesting a degree of 'catch up' is justified.

4.20 Our further investigation of the South of High Street proposal (dealt with in detail later) reveals the scale of the comparison floor space is likely to be of the order of 2,725m<sup>2</sup> gross (assume 2,045m<sup>2</sup> sales) compared with the Tesco comparison extension of 614m<sup>2</sup> sales. Further, the consultants advising the Council are of the view that only a limited proportion of the floorspace might be developed by 2016. Accordingly the increased retention rate is unlikely to be justified until 2021.

#### **Town Centre Audit**

4.21 The Assessment does not undertake a full audit of Leighton Buzzard centre as sought by PPS4 but confines itself in section 3 to a review of convenience floorspace

also drawing upon the Retail Study. Paragraph 4.51 and 4.52 of the study describes the structure of the town centre and in the following paragraph analyses shopping functions. In paragraph 4.54 it notes that commercial yields have slightly increased and paragraph 4.55 draws attention to the low – 6% - vacancy rate. Retailers requirements numbered 10 in 2008. Paragraph 4.58 records that pedestrian flows are generally good as is accessibility into and through the centre but with some pedestrian and vehicle conflicts. The historic nature of the centre was regarded, in paragraph 4.62, as contributing to the centre's attractive environment but with scope for localised improvements. Paragraph 4.66 notes that the range of shopping and service facilities is good and while there are signs of weakening investor confidence the low vacancy rate indicates that the centre is performing well. Overall the centre displays good levels of vitality and viability.

- 4.22 The Assessment has not updated the Retail Study audit and some of the health indicators have changed particularly given the dramatic movements in the retail sector over the past several years. Nonetheless, there is sufficient of a review of these factors to provide a robust context for any Retail Assessment.

## 5. RETAIL TRADING IMPLICATIONS

5.1 The Assessment examines the proposal against the quantitative needs identified in the Retail Study. Whilst those needs are highly relevant to the importance of a Retail Assessment they do not, in themselves, identify the trading implications. This section briefly examines the Assessment in terms of retail impact.

### Convenience Trading Implications

5.2 Table 4 of the Assessment sets down the adjusted retail capacity for Leighton Buzzard as at 2008:-

Store	Over/Undertrading £M per annum
Waitrose	+3.816
Iceland	-0.849
Morrisons	-1.794
Tesco	+18.990
Co-op	-5.324
Aldi	-1.064
<b>Total</b>	<b>+13.775</b>

5.3 Table 5 carries through the convenience floorspace capacity in Leighton Buzzard to 2011, 2016 and 2021. It demonstrates that in 2011, allowing for overtrading of £13.75mpa and residual expenditure of £13.697mpa, capacity exists for 1,141m<sup>2</sup> of sales floorspace. The adjustments arising out of increased floorspace efficiency in section 4 suggests the revised floorspace capacity is of the order of 1,046m<sup>2</sup>.

5.4 Projected forwards to 2016 the trading capacity of the residual floorspace amounts to £17.689mpa, equating with a retail sales area of 1,474m<sup>2</sup> but the floorspace efficiency adjustment would reduce the residual sales to £14.61mpa and the floorspace capacity to 1,217m<sup>2</sup>. Updating the figures to reflect the 4% increase in market share in Zone 8 would increase potential sales by £3.12mpa equivalent to a floor area of 260m<sup>2</sup>. Thus,

in 2016 the residual trading capacity would be of the order of £14.6mpa and the floorspace surplus 1,477m<sup>2</sup>.

- 5.5 Similar adjustments to the above for 2021 shows that capacity would exist for 1,728m<sup>2</sup> including that arising from the increased market share.
- 5.6 It has been previously noted that the anticipated convenience turnover of the Tesco extension is £3.16mpa upon a floor area of 511m<sup>2</sup>. There is, therefore, substantial capacity to accommodate the proposed development.
- 5.7 It is evident that the extension of the Tesco store, which is substantially overtrading, will attract the great majority of new sales but it is likely that the improved offer could divert some limited turnover from the other supermarkets in the centre with overlapping functions, namely Morrisons and Waitrose. The Assessment suggests that there is a distinction between the trading profiles of Waitrose and Tesco, the former providing a generally higher offer by way of prepared meals etc at higher prices. However, in recent times, the supermarkets have initiated programmes which seek to compete on a like for like basis with the other majors and in this respect, Waitrose launched Brand Price Match in September 2010, which fixes regular merchandise purchases of 1,000 regularly purchased lines at Tesco prices. Given that the development is the extension of an over-trading Tesco we would not expect substantial trade being drawn from these two supermarkets but it's improved offer could well see some limited re-distribution of expenditure within the centre. The scale of change is most unlikely to prejudice the economic health of those stores.
- 5.8 A compensating factor is that new customers drawn into the centre will almost certainly engage in associated shopping trips into the central area. Survey information collected at the Tesco store in June 2010 showed that some 42% of customers visiting the store undertook linked trips and it would be reasonable to assume that most if not all such trips were into Leighton Buzzard Town Centre. Further research material supplied to us

by Tesco's consultant in relation to another proposal at Sandy confirms that a store located some 400 metres from the primary shopping area in a nearby centre would give rise to a significant number of linked trips and confirms the above survey results. One has to be careful not to over-state this phenomenon in the current circumstances. The Tesco store is already substantially over trading and insofar as the proposed extension is merely mopping up this expenditure the proposed extension would not give rise to additional linked trips. There is no information in the Assessment to permit a calculation of the retail sales value of such trips.

### **Comparison Trading Implications**

5.9 The previous section examined the consequences for comparison sales capacity of modifying Table 4a of the Assessment to take into account what are considered to be realistic efficiency ratios for the retail sales floorspace. As a consequence of those adjustments the floorspace requirements were significantly reduced for the years 2011, 2016 and 2021.

5.10 Inherent in Table 4a is the assumption that the retention rate for comparison expenditure would be increased by 0.1% of the potential expenditure within the study area employed by the Retail Study. The reason underpinning the assumption is that by 2016 the horizon at which time retention rate is raised from 1.7% to 1.8%:-

- The Tesco store would have been extended;
- The major town centre development planned for the south side of High Street would have become operational.

5.11 The combined effect of these changes would have significantly improved the attraction of Leighton Buzzard Town Centre to the support population. However, there are two factors to take into account which suggests that that assumption is flawed and unjustifiably uplifts turnover inflow and floorspace requirements.

- 5.12 The redevelopment of the Tesco store involves the demolition of the Homebase unit. We understand that Tesco were, at one stage, advising Homebase customers that the store was being replaced but we have subsequently learned that there is no such synchronisation of plans involving Homebase relocating to another site.
- 5.13 The implications of this loss are several-fold. The store is a very large one – 4,835m<sup>2</sup> including the garden centre – and contributes towards the finding of the Retail Study that Leighton Buzzard retains a good level of locally based expenditure upon such goods. The town experiences a substantial proportion of leakage of comparison expenditure but the DIY sector exhibits a relatively healthy profile. There must be concern that the down-grading of the town centre content would reduce the attraction of custom into the centre.
- 5.14 Apart from the inherent attraction of the Homebase unit for Leighton Buzzard it is likely that significant linked trips will be generated and such expenditure lost to more distant facilities. We accept Martin Robeson's assertion that those same customers will continue to use Leighton Buzzard for their main food shopping but that does not negate the conclusion that DIY / comparison based trips will be significantly affected. The Tesco extension will off-set these overall effects but the substantial difference in scale suggests linked trips may be reduced.
- 5.15 We consider the combined implications would have no significant impact upon the town centre but would be likely to slightly prejudice vitality and viability.
- 5.16 As regards LSHS scheme (which this report deals with in detail later) we are informed by the Council's development consultants that whilst a limited early phase of its floorspace might be in operation by 2016 it is not expected to be completed until towards 2021. Without the attraction of a major increase in facilities we take the view that the increase in the retention level is an unrealistic assumption until 2021.

5.17 As a prelude to assessing what the comparison trading implications of the Tesco might be therefore, we have adjusted Table 4a of the Assessment to exclude the increase in the retention level from 1.7% to 1.8% until 2021. The resultant floorspace capacity schedules then become:

<b>2011</b>	<b>2016</b>	<b>2021</b>
786m <sup>2</sup>	3,707m <sup>2</sup>	9,462m <sup>2</sup>

5.18 In order to assess the trading implications of the Tesco proposal for the comparison sectors of the town it is necessary to consider the potential redevelopment sites at Smith's Meadow and Land South of High Street and how their retail profile and programme meshes with the context provided by the above analyses.

#### **The Potential Redevelopment Sites**

5.19 The Assessment identifies two sites within and close to the town centre which are potentially available for retail developments – Land South of Leighton Road (Smiths Meadow) and Land South of High Street.

5.20 The Assessment summarised the retail planning parameters bearing upon the sites. It notes in relation to the former that the Retail Study suggests that further consideration be given to development of the site for mixed uses including retail but that discussions with the Council's planning officers and their consultants pointed to the retail element as being a non-runner.

5.21 The Assessment drew attention to the Retail Study observations (paragraph 8.51) that the LSHS would be an appropriate location to accommodate at least some of the identified comparison floorspace over the period to 2016 (paragraph 8.67).

5.22 Given the potential conflict of the Tesco proposal and the promotion of a scheme forming the extension to the central shopping area, further investigations and discussions were entertained with the Council officers and GVA Grimley the Council's planning and development consultants. A review was undertaken of the recent public consultation upon the redevelopment principles for both sites.

### ***Smiths Meadow***

5.23 Smiths Meadow lies immediately opposite the Tesco site on the south side of Leighton Road.

5.24 The recent public exhibition explained that a development brief was to be prepared for the site which would form part of the LDF for Central Beds.

5.25 The material presented at the exhibition was the result of a workshop of stakeholders in mid 2010 combined with the aspirations of the Town Plan for Leighton Linslade entitled the Big Plan. The objectives emerging from that process anticipates the creation of a mixed use scheme, creating a strong identity and access to enjoyment of the canal and river frontages. The proposals did not anticipate any retail uses save for small scale facilities associated with the waterside leisure at the north-west corner of the site.

5.26 Whilst the Council is still awaiting feedback from this exercise, the current state of play envisages no town centre retail provision on site and accordingly we would not see the Tesco scheme prejudicing the proposals.

### ***Land South of High Street***

#### ***The current planning situation***



- 5.27 This site is located within the defined town centre on the Local Plan and lies immediately to the rear of those shops fronting the South Side of High Street, the main shopping area.
- 5.28 It is a large, irregular shaped site extending to some 2.5 hectares with a number of pedestrian links into the High Street. Duncombe Drive provides a rear vehicular access into the site via Lake Street.
- 5.29 The site has been a subject of the same planning process as South Meadow resulting in a series of objectives. These include the creation of a retail destination attracting high profile retailers together with complimentary uses to help foster a vibrant retail sector. The scheme design would be directed to enhancing the existing architecture, heritage and identity of the town centre.
- 5.30 The emerging framework is one which anticipates a retail based scheme on the eastern sector of the site with an anchor store, merging into a mixed use area to the west and beyond an employment quarter. A new car park would be located adjacent to the shopping.
- 5.31 Discussions with the Council's officers and their consultants indicate that the anchor store would be of the order of 25,000 gross square feet (2,400m<sup>2</sup>) and the remaining shopping up to 30,000 gross square feet (2,850m<sup>2</sup>). At present, the thinking is that the anchor store would be a convenience unit and the balance of the shopping very largely directed to meeting comparison floorspace needs.
- 5.32 Given the complexity of the site it is not expected that any scheme would be completed until close on 2021 but we are advised that there are retail development opportunities that might be brought forward in the 2011–2016 period.

### **Impact Considerations**

5.33 It is self evident that the trading proposals of the Tesco expansion overlap with the retail development proposals of the scheme to the South of High Street:

	<b>Tesco scheme Sales m<sup>2</sup></b>	<b>Site South of High Street Sales m<sup>2</sup> (1)</b>
<b>Convenience Sales Floorspace</b>	511	1,296 (2)
<b>Comparison Sales Floorspace</b>	614	1,710

(1) Assumes a gross to net ratio of 100:60

(2) Assumes convenience sales on 90% of floorspace

5.34 The following table compares the combined Tesco and LSHS proposals with floorspace requirements as at 2016 and 2021:

	<b>Tesco and South of High Street Scheme m<sup>2</sup></b>	<b>Floorspace Requirement m<sup>2</sup></b>	
		<b>At 2016</b>	<b>At 2021</b>
<b>Convenience Sales Floorspace</b>	1,807	1,477	1,728
<b>Comparison Sales Floorspace</b>	2,324	3,707	9,462

5.35 If the LSHS scheme were to open for trading towards 2021 it is apparent that the earlier development of the Tesco comparison floorspace would have no prejudicial affect on the town centre scheme given the substantial surplus of floorspace. As for the convenience element, the combined sales would exceed capacity by just 79m<sup>2</sup> and would be of no consequence in terms of trading impact upon the town centre proposals.

- 5.36 The extent of the comparison floorspace requirement in 2021 is such as to provide a substantial buffer between need and built / proposed floor area and we would anticipate no prejudicial implications for the comparison sector in the town centre in consequence of the Tesco scheme.
- 5.37 Given that the Land South of High Street scheme is due to be planned and promoted and possibly part-implemented, over the period to 2016, it is relevant to consider whether the Tesco proposal might prejudice any early promotion of that development.
- 5.38 Martin Robeson have made the point that as at 2016 the Tesco extension would have been built and that the turnover of the extension – £3.16mpa – should be deducted from the sales capacity thus reducing it to £14.56mpa equivalent to convenience floorspace of 1,214m<sup>2</sup>. Adjusting the anchor store sales to reflect convenience sales on 85% of the floorspace (compared with our assumption of 90%) indicates a sales capacity of 1,224m<sup>2</sup> a negligible difference. We confirm that as at the time of the opening of the Tesco extension in say 2012 / 2013 there would be sufficient capacity for both that development and the anchor store.
- 5.39 However, the exercise conducted by Martin Robeson assumes a continuing sales capacity of £3.16mpa for the extension, when the tendency will be for the turnover ratio to climb towards the company average with the effect of substantially reducing expenditure capacity. The above table assumes that change has taken place by 2016 and is, therefore, regarded as a robust illustration of capacity at that date, namely a 330m<sup>2</sup> shortfall. Insofar as the extension turnover has not reached the company average the shortfall would be correspondently less.
- 5.40 The implications of these circumstances would be two-fold; firstly, reduced sales in the other main supermarket outlets and secondly, less that sufficient retail need to support the convenience element of the anchor store at that date. However, the scale of the overall shortfall and its spread suggests very limited trading implications for the vitality

and viability of the town centre. It remains for your development advisors to say whether the shortfall in retail floorspace need at 2016 would deter would-be occupiers and delay the investment in the town centre.

5.41 As at 2016 the retail planning need for comparison floorspace substantially exceeds any early phases of the LSHS scheme. In consequence the centre would both benefit from the increased facilities whilst leaving the other comparison outlets in the town centre benefitting from the requirement of such additional floorspace.

## 6. CONCLUSIONS

6.1 Our review of the assessment has led us to question some of the key inputs to the retail impact exercise. We regard our suggested changes to the Assessment as representing a more realistic interpretation of the retail planning scenario upon a more secure evidence base. The outcomes from that evaluation lead us to a number of principal conclusions:-

- There is sufficient floorspace capacity at 2021 to more than support the Tesco extension and the Land South of High Street scheme with no prejudicial trading consequences for the vitality and viability of the town centre. At 2016 the disparity between the convenience floorspace need, the combined Tesco unit and the size of the anchor store, would not be such as to significantly affect vitality and viability but might dissuade potential occupiers at that time and delay investment in the town centre. Your development consultant should be asked to advise upon this situation.
- There is substantial capacity for additional comparison floorspace throughout the period to 2021 to accommodate the Tesco comparison extension and the development of the LSHS. There will be no prejudicial consequences for the town centre.
- The Tesco store is an out of centre location and it would be legitimate to argue that the comparison element of the store should be directed into Leighton Buzzard Town Centre. However, the proposal is set against the backdrop of a substantial requirement of such floorspace with no town centre schemes identified to pick up the large surplus (beyond that needed to support the Land South of High Street scheme) over the period to 2021. Its development would not, therefore, prejudice other town centre development opportunities.
- The development of the Tesco store anticipates the loss of the large Homebase unit with, apparently, no plans for the unit being relocated in the vicinity of Leighton Buzzard Town Centre. In the same way that Tesco claim

that their extension would increase the attraction of the town centre, we are of the view that the loss of such a large retail facility would significantly reduce the attraction of Leighton Buzzard Town Centre and the benefits of linked trips between the store and the centre. There would be some limited prejudice to the vitality and viability of Leighton Buzzard Town Centre.