



Late Observations Sheet
DEVELOPMENT CONTROL COMMITTEE
27 February 2014 at 7.00 pm

Late Observations

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DEVELOPMENT CONTROL COMMITTEE

27 February 2014

LATE OBSERVATION SHEET

Item 4.1 SE/13/00134/FUL Land at Station Road and Fircroft Way, Edenbridge TN8 6HQ

Update report from GVA

In response to the objection from the agent for Waitrose, which has been summarised in the update report, the Council have sought the advice of their retail advisor with regard to whether the change in operator of the town centre store from Co-op to Waitrose would lead them to change any aspect of their previous advice.

The findings and conclusion of this report were available to officers prior to production of the committee report albeit in draft form. The final version is attached to this late observation report. (Appendix A) In summary, it concludes the following:

- The Sainsbury's and Tesco applications will have an adverse impact on Edenbridge town centre. The Tesco impact is half that of the Sainsbury's store.
- It is likely that the Waitrose store will change local shopping patterns and claw back some trade which is currently flowing to other settlements.
- The impacts of the Sainsbury's store present a greater risk for store closures in the town centre, loss of investment and a greater loss of vitality via linked trips.
- The latest advice is given on the basis of uncertainty over the turnover of the Coop store, the trading impact of Waitrose, the contribution that the anchor store makes to the town centre and also the market positioning of Waitrose and Sainsbury's. As a result of this, there is a growing concern that the severity of the Sainsbury's impact will breach the (previously considered) limit of acceptability. There is a real risk that the impact of the Sainsbury's proposal could lead to a significant adverse impact on Edenbridge town centre.
- The impact of the Sainsbury's store on Edenbridge town centre remains at 26.5% which is the same impact as assessed previously.
- The cumulative impact of providing both new supermarkets would lead to a significant adverse impact on the town centre

Officer Comments

The report highlights the increased uncertainty due to the arrival of Waitrose which is not yet trading, and consequent risks to the town centre. It does not come to a conclusion which justifies Members taking a different decision on this application to that made last August.

Letter from Sainsbury's

The agent for Sainsbury's has produced a letter, which is attached to this late observation report (Appendix B), in response to Waitrose objection and the GVA report. It states the following:

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- As Sevenoaks District Council resolved to grant planning permission on 8th August 2013, the Secretary of State agreed that there are no matters of concern to him, and they have signed a section 106 undertaking, planning permission should be resolved to be granted at your planning committee on 27th February.
- Nothing suggests that there has been a material change in circumstances which would warrant members doing anything other than seeking to grant planning permission once again.
- The most recent GVA report states that the impact of the Sainsbury's store on Edenbridge town centre remains at 26.5% which is the same impact as assessed previously. Therefore, the forecast impact of the Sainsbury's store is exactly the same as members considered, and approved, at the time of the previous committee. Therefore, this clearly does not represent a material change in circumstance.
- With regard to the letter from Firstplan on behalf of Waitrose, (attached - Appendix C) it is incredulous that they suggest 'Waitrose was not aware of the Council's resolution to approve the Sainsbury's'. A chronology of public announcements relating to the Sainsbury's proposals dating back to November 2012 is attached to the letter.
- Firstplan go on to claim that if Sainsbury's opened, then 'Waitrose may have to review any future decisions to invest in the store further....contrary to NPPF retail policy 27'. The correct reference is NPPF Paragraph 26, which states that when assessing applications for retail...development outside of town centres, impact assessment should include consideration of the impact of the proposal on existing, committed and planned public and private investment, and the impact of the proposal on town centre vitality and viability...
- The actual impact of the Sainsbury's proposal on existing, committed and planned investment in Edenbridge town centre is that Waitrose, in full knowledge of Sainsbury's plans (documented publicly since 2012) completed a purchase of the Co-op store. There can be no better demonstration that the Sainsbury's proposals have not prejudiced investment on the High Street, and in fact seem to have positively encouraged it.
- Further material considerations for resolving to grant permission for the Sainsbury's proposal include the creation of 200 jobs, the need for a store of its size and with a large range of goods, preventing residents travelling outside of Edenbridge and the improvements within the 106 undertaking.

Letter from Tesco

The retail advisor for Tesco has produced a letter, which is attached to this late observation report (Appendix D), in response to the Waitrose objection and the GVA report. It states the following:

- As per the Waitrose objection, the previous 'initial' advice from GVA in relation to the change in occupancy of Edenbridge's anchor store 'cannot be relied on to assess the implications properly'. The change in occupier is a material planning consideration which the Council need to fully assess. The extent of likely clawback to the Waitrose store is limited and that, as a consequence, it is questionable that there is sufficient capacity to support both the Waitrose store and a new Sainsbury's store
- A capacity table has been prepared (which, for reference, is in the attached letter) which demonstrates that capacity in the primary catchment area is limited and that the introduction of the Sainsbury's store would result in a significant, unsustainable and unrealistic level of inflow. This is point we have consistently made as a major area of

concern in reviewing the Sainsbury's submissions. This would result in increased impact on the town centre.

- As per the final point made in the First Plan letter, if Sainsburys opens and Waitrose's concerns about impact are realised, the Waitrose may have to review any future decisions to invest in the store further. This would be contrary to NPPF retail policy 27 which seeks to protect committed private investment to strengthen and support the vitality and viability of existing town centres.
- Elements of the GVA report are welcomed, namely
 - That the change in operator is likely to result in a shift in the customer base of those using Waitrose compared to the previous Co-op store;
 - That the Sainsbury's store is likely to divert more trade away from the town centre;
 - That the impacts associated with Sainsbury's store '*present a greater risk for store closures in the town centre, loss of investment and a greater loss of vitality via the loss of linked trips*';
 - That the Sainsburys proposal '*is more likely to lead to Waitrose reducing or stopping investment in their store*' which is evidence of investor concern in the town centre in the event the Sainsbury's application is approved;
 - That the smaller size of the Tesco store is highly material to judging the issue of investor confidence, meaning that '*the Waitrose store will be able to compete with Tesco on a more level playing field than the Sainsbury's and, as such, the scale of adverse harm to investment will be lower*'. As a result, the benefits to local residents will be enhanced, as the town centre stores invest in their offer in order to compete with Tesco; rather than, as with the Sainsbury's impact, result in a level of undertrading that is such that further investment simply cannot be justified
- There are significant concerns over the conclusions reached, and the advice is flawed in a number of key respects, namely
 - That there is real uncertainty over the level at which the Co-op store traded previously. There is no justification for GVA adopting the higher turnovers set out in the Sainsbury's application over the turnovers derived from the GL Hearn-commissioned survey work.
 - Although it is difficult to accurately predict or model Waitrose turnover, it can be concluded that it is likely to effect a change in existing shopping patterns, which will be delivered through a combination of diversion from existing stores within Edenbridge and as well as clawing back expenditure. It cannot be assumed that the overall centre turnover will be at the level GVA are suggesting.
 - If the turnover of Waitrose is substantially higher than the Co-op then this is as a result of claw back which will materially affect the level of diversion to either out-of-centre store from the town centre.
 - Given the uncertainty surrounding the previous level of turnover of the Co-op store and the fact that this range in turnover existed when GVA issued their August 2013 advice to the Council, there is no justification to significantly revise the anticipated level of diversion from the town centre stores to Tesco.
 - The adjustments made to the anticipated diversion of the Tesco store as a consequence of the change in operator are equally, if not more, applicable to the

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Sainsbury's diversion. However, GVA have not applied this logic consistently and whilst they have increased the level of diversion from Waitrose to the Tesco store from £2.12 to £3.30m, they have not carried out the same exercise for Sainsbury's. In fact, it has been reduced.

- Given the acknowledgement that 'the Sainsbury's store is likely to draw more trade away from Edenbridge town centre than the Tesco proposal', it is not logical that the change in operator is likely to increase diversion to Tesco and actually reduce diversion to the Sainsbury's.
- The GVA analysis has been reworked and is set out in a table in the letter (page 3). This shows that because of a new pattern of trade draw, impact on the town centre by Sainsbury's will be greater than assumed in the GVA report and would be 31%. The level of impact by the Tesco proposal will remain the same at 11%.
- Given the previous conclusion by GVA that 26.5% is on the margins of acceptability, an impact of 31% would no longer be within the realms of acceptability and becomes a significantly adverse impact in the context of the NPPF test.
- Comparative recent advice provided by GVA to Torbay Council stated that 10% impact was held to be significantly adverse and would merit refusal under the same paragraph of the NPPF
- There has been no consistency in the advice being given to the Council by GVA and it is considered that the only course of action is to commission advice from an independent consultant in order to be able to reach an informed decision. There is compelling evidence to demonstrate that GVA have underestimated the impact on Edenbridge town centre.
- There is clearly no doubt that the impact of the Sainsbury's store will be significantly adverse and the Sainsbury's application cannot be deemed to constitute sustainable development in the context of paragraph 27 of the NPPF which states that 'where an application fails to satisfy the sequential test or is likely to have significant adverse impact ... it should be refused'.
- These matters are highly material to the Council's recommendations to Members and Members' subsequent consideration of the Sainsbury's application

Further Comments from GVA

GVA have made the following comment on this letter:

'Thank you for sending across the letter from GL Hearn ('GLH'), on behalf of Tesco, dated 24th February 2014. You have asked for a response to the contents of the GLH letter and I provide this below.

We note that GLH welcome parts of our advice dated 17th February 2014 but raise concern over certain elements. These concerns appear to surround: the uncertainty over the trading position of the former Co-op store; the uncertainty over the trading position of the new Waitrose; and how the customer base in the town centre may change as a consequence of the transition from Co-op to Waitrose; and, as a consequence of these factors, concern over the assumptions made by GVA in our latest advice.

Clearly, our advice does make some assumptions regarding the above factors, but our advice very careful to outline similar concerns to those raised by GLH when reaching our own conclusions (i.e. uncertainty over Co-op and Waitrose trading levels). Indeed, it is salient to note the latest GLH assessment adopts the same turnover data as our latest advice despite GLH's earlier criticisms of this data.

On this basis, we see no need to add further to our 17th February advice letter.'

Other Representations

24 additional notifications of support for the application have been received. These do not raise any additional matters.

Three additional notifications of objection to the proposal have been received which do not raise any additional matters.

One notification has been received which queries the Waitrose objection to the Sainsbury's application. It considers that no competent management would have not factored in the possibility of a Sainsbury store getting the go-ahead, and Waitrose is a very competent company, if they were concerned about the possibility they would have held off signing a purchase agreement until it was certain with whom they would compete, and the projection of the turnover they say they need in competition with Sainsbury is grossly above what the Co-op was believed to do and beggars credibility. It considers that it appears as a 'spoiling operation'.

Officer Comments

Officers have reviewed the correspondence above and do not consider that it raises issues that justify altering the recommendation.

For information, paragraph 26 and 2 of the NPPF read as follows:

- '26. When assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq m). This should include assessment of:*
- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and*
 - the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made.*
- 27. Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused.'*

The items within the legal agreement which have a bearing on consideration of the planning application and can legitimately be taken into account are as follows:

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- No part of the area within the Store to be used for the sale of comparison goods shall be used for the sale of prescription optical or pharmaceutical items, fridges, freezers, washing machines, dishwashers and ovens.
- No part of the Store shall be used for concession space such as dry cleaners, key cutting service, shoe repairs, photographic services, opticians or post office counter services.
- To procure for a period of 3 years from opening, a bus service operating on three days each week between the hours of 0930 and 1430 between the Store and Edenbridge town centre to operate free of charge for customers of the Store
- Prior to opening, to procure satisfactory completion of the Off-Site Highway Improvements

Item 4.2 SE/13/00935/FUL Land North West of Junction with St Johns Way, Station Road, Edenbridge TN8 6EB

Late Comments

14 additional notifications of objection have been received which do not raise any new issues.

The items within the legal agreement which have a bearing on consideration of the planning application and can legitimately be taken into account are as follows:

- Exclusion of the use of the New Store (or part of it) as a pharmacy, post office, bank, opticians, dry cleaners, hair or beauty salon or coffee shop.
- To continue to operate the existing Tesco Express store at 39-41 High Street Edenbridge TN8 5AD for at least three years.
- A contribution of £10,000 towards the County Council's costs for the provision of double yellow line waiting restrictions, the creation of a new bus stop and other highway works
- A contribution of £40,000 towards the costs of the Council in promoting initiatives to preserve and enhance existing commercial activity in the retail areas of Edenbridge and its environs so as to ameliorate the impact of the Development.

Item 4.3 SE/13/03560/FUL The Old Chapel, 185 London Road, Dunton Green, Sevenoaks TN13 2TB

The agent has submitted comments regarding conditions 4 (relating to the mezzanine floor) and 5 (condition restricting hours of use).

Regarding condition 4 the agent states that,

- A mezzanine floor could be implemented without permission and therefore does not see why this condition is necessary.
- The applicant will not gain significant floor space from the application as it currently exists and therefore it is not justifiable to impose further restrictions on floor space.

Regarding Condition 5 the agent states that

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- The condition includes the phrase ‘the use hereby permitted’ however the agent is not seeking approval for a change of use and therefore the condition is not relevant.
- The condition would only intensify the activity when children are dropped off and collected from the nursery
- The condition will create a loss of places at the nursery and adversely affect the viability of the business.

Advice from Legal has been received regarding condition 4 which confirms that planning permission would not be required for a mezzanine floor however the condition is valid provided that for a planning reason. In this case the reason for the condition would be in order that any other proposal may be the subject of a separate application to be determined on its individual merits having regard to the interests of Highway Safety. This is fully discussed in paragraph 51 of the officer’s report. However, Legal has recommended that the condition be re-worded to read,

No internal mezzanine floor or other form of development which may provide additional floor space shall be carried out.

The application is not for a change of use at the property and therefore condition 5 can be amended to read,

The use of the play area bounded by the fence hereby permitted shall only be carried out between the hours of 0800hrs and 1730hrs Monday to Fridays and not at all on Saturdays, Sundays and Bank/Public Holidays.

The condition was put in place to safeguard the amenity of the area and the amenities of 187 London Road. The play area, which can only be used as a result of the fence which forms part of this permission will be adjacent to the windows of 187 London Road. This is discussed in full in paragraph 44 of the officer’s report.

Item 4.4 SE/13/03831/HOUSE White Gables, High Street, Farningham, Dartford DA4 ODB

A further representation has been received from the resident of Pinehurst. This includes a photograph of the change in land levels between Pinehurst and White Gables (included in the presentation). It also states that,

- There will be a 2.5ft drop from the base of the wall on the shared boundary with White Gables to the flower bed.
- The garden of Pinehurst is on a gradient so the north west side of the garden is lower than the south east boundary shared with White Gables and therefore the rear extension and roof lantern would create a barrier/have a negative impact on the Pinehurst’s light.

The case officer has also visited the site and the impact of the proposal on Pinehurst is discussed in paragraph 51 of the officer’s report. Taking into consideration the additional information provided it is still concluded that the proposal would not result in an unacceptable loss of amenities to the residents of Pinehurst.

A letter has been received from the agent, Mr Gunne-Jones, which raises the following points:

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- They support the officer's recommendation
- They feel that the neighbour representations do not introduce any new issues.

Item 4.5 SE/13/03361/FUL Derelict Oast House, Oast Farm, Lydens Lane, Hever

Members' attention is drawn to the fact that the previous application (SE/12/00453/FUL), which was for exactly the same development, was refused on the basis of one single reason and this is as follows –

The proposal would lead to a requirement to contribute towards affordable housing provision. In the absence of a completed Section 106 obligation to secure an appropriate level of affordable housing provision, the development would be contrary to policy SP3 of the Sevenoaks District Council Core Strategy.

As noted in the officer's report, a legal agreement containing the full affordable housing contribution, as required by policy SP3, has now been completed by the applicant and submitted to the Council.

This information does not alter the overall conclusions and recommendation for approval held within the main papers.



Our ref:
Your ref:

17th February 2014

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BY E-MAIL

Dear Steve

Proposed Supermarkets, Edenbridge

Introduction

Further to your recent instructions, I have re-visited the advice that GVA gave to Sevenoaks District Council in 2013 in relation to the current Sainsburys and Tesco proposals in Edenbridge. In particular, this latest advice considers whether the forthcoming change in fascia from Co-op to Waitrose in Edenbridge town centre will lead us to change any aspect of our previous advice.

As discussed, this advice concentrates upon the impact of the proposed stores, informed by an updated quantitative need assessment.

The Quantitative Need for Additional Retail Floorspace in Edenbridge

Section 4 of our May 2013 advice outlined the baseline position on retail floorspace capacity in Edenbridge. It noted that, based on a constant market share, there was not a need to plan for additional convenience goods floorspace in Edenbridge¹. Section 4 of the May 2013 advice did note that there was the potential for new foodstores in Edenbridge to claw back retail expenditure which is currently being lost to stores in other settlements although the benefits of such claw back are likely to be tempered by the fact that the Sainsburys and Tesco proposals lie in out of centre locations and would not directly benefit Edenbridge town centre. Beyond these valid observations, no further retail capacity modelling was undertaken.

¹ Data taken from the 2009 Sevenoaks Retail Study Update

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Given the change in fascia from Co-op to Waitrose, plus the retail impact forecasts outlined in our previous advice, there is now the opportunity to review the retail expenditure capacity position. Two tables are attached to this letter (Table 1 for Sainsburys and Table 2 for Tesco) and show the capacity assessment, including the current baseline position including Waitrose (instead of the Co-op) along with the change in market share as a consequence of the impacts forecast by our previous advice².

Table 1 shows that, on the basis of the benchmark turnover of the Sainsburys store along with existing stores, there would be an oversupply of convenience goods floorspace, as indicated by the minus £7m capacity estimate. Similarly, the Tesco analysis (Table 2) also shows an oversupply, although this is lower at minus £3.3m.

Therefore, there is insufficient convenience goods expenditure to support either of the proposed stores alongside existing stores in Edenbridge.

Whilst the requirement to demonstrate a need for a proposed development is no longer a formal policy test, the evidence in relation to quantitative need is a material consideration when forming a final view on the severity of the impact of proposed new retail floorspace. In this instance, it is clear to us that it is not possible to accommodate a new foodstore in Edenbridge alongside existing floorspace collectively trading at benchmark levels. Such a situation gives cause for concern over the severity of the impacts associated with the proposed store, particularly the larger Sainsburys store.

Impact

Within our previous advice to the Council, dated May and July 2013, we provided the Council with the following advice in relation to the Sainsburys and Tesco proposals:

- **Sainsburys.** The Sainsburys store will have a 26% impact on retail expenditure in Edenbridge town centre and this impact is likely to be just within the limits of acceptability. Indeed, the impact case for Sainsburys is finely balanced, particularly in relation to the different estimates of the Co-op store turnover in Edenbridge.
- **Tesco.** The impact of the proposed Tesco on Edenbridge is much lower than the Sainsburys proposal, at 11%. Having regard to Edenbridge's role and function, this impact on the town centre was judged to be more acceptable.

I understand that, at the Council's development control committee in August 2013, members of the committee resolved to grant planning permission for the Sainsburys proposal and deferred consideration of the Tesco application. I understand that both applications will be presented to committee again on the 27th February.

² For the avoidance of doubt, this latest advice uses the same turnover data as our 2013 advice, save for the update in benchmark turnover levels for the Waitrose store

Since our previous advice and the Council's development control committee in August 2013, there has been a change in circumstances in Edenbridge. The Co-op has agreed to sell its town centre foodstore to Waitrose and I understand that the store will re-open as a Waitrose shortly. Waitrose, via their planning consultants Firstplan, have written to the Council, asking for an updated impact assessment which takes into account this change in circumstance.

In order to understand how an updated impact assessment might be performed, it is important to take into account a number of factors.

As outlined in our previous advice, there has been uncertainty over the turnover of the Co-op in Edenbridge. Whilst the Co-op is now leaving the town, it would be incorrect to assume that this previous uncertainty is not still material to the retail impact case. This is due to the need to assess the impact of the new Waitrose on local shopping patterns and the possibility that this change in operator will lead to different distribution of retail expenditure.

By way of example, the applicants' assessments predicted a turnover for the Co-op store of between £7.7m at 2011³ and £11.78m at 2013⁴. The lower turnover level is broadly comparable to Co-op company average, whilst the higher amount suggests possible over-trading at that store. In terms of the change from Co-op to Waitrose, there is no certainty over the trading level of Waitrose once it opens. The letter from Firstplan contemplates an increase in turnover, for the transition from Co-op to Waitrose, with the Waitrose trading at company average. This is a reasonable assumption, as it matches the assumptions for made for the turnover of the proposed Tesco and Sainsburys stores (and is, in any event, a standard assumption used in retail impact assessments).

If company average is achieved for the new Waitrose store, this may result in an increase in turnover from the Co-op store, but only if the lower Co-op turnover estimate is correct. If the higher turnover estimate is more accurate, then the total turnover of that store may not rise.

However, there is also a further underlying issue which also needs to be taken into account: the possibility that the customer base may change following the transition from Co-op to Waitrose. For example, whilst the change in operator may make no difference to some people's shopping habits (i.e. shoppers will use the most local store no matter who operates it), the arrival of Waitrose may lead to shoppers using other facilities elsewhere and/or lead to additional shoppers in Edenbridge town centre.

In terms of the latter scenario, this seems to be a realistic prospect given the loss of local expenditure to Waitrose stores in Oxted, East Grinstead and Sevenoaks although we appreciate that not all of this expenditure may be clawed back due to the larger size of some of these other stores. However, it is also possible that expenditure may be diverted

³ Tesco assessment

⁴ Sainsburys assessment

from other stores such as Sainsburys. As noted by GL Hearn⁵, on behalf of Tesco, Waitrose is one of the top 4 stores that disloyal Sainsburys customers are likely to use. Again, because the Waitrose store is not becoming larger than the former Co-op, this shift is unlikely to be large, but nevertheless there could be a transfer of trade. The implication of this scenario is that there could be some clawback of expenditure to Edenbridge without either of the two new stores being introduced. This is obviously an important point for both applicant's cases, although particularly for the Sainsburys proposal. However, it is important to reiterate that:

- there cannot, at the present time, be any certainty over the trade draw to the new Waitrose store and how (if any) it may differ from the Co-op; and
- as a consequence of the above, it is not possible to provide a precise new financial impact assessment based upon empirical evidence.

Moving on to consider whether the forecast impacts on the Co-op store will now be different given the change to Waitrose, we have considered the information and arguments put by GL Hearn (on behalf of Tesco). This information, in summary, suggests that disloyal Waitrose customers are more likely to switch their spending to Sainsburys than any other main grocery retailer, including Tesco. This is based upon research undertaken by Verdict and we consider that it provides a useful contribution to the impact analysis, based upon the market positioning of these stores.

Indeed, we agree that the Sainsburys store is likely to draw more trade away from Edenbridge town centre than the Tesco proposal. This was the case when the Co-op store was expected to continue to trade and it remains our current view, taking into account the Waitrose store, is based on two factors:

- the larger size of the Sainsburys store and its ability to dominate convenience goods shopping in Edenbridge and its catchment area; plus
- the Verdict information provided by GL Hearn which does suggest a closer competitive environment between Waitrose and Sainsburys than other operators.

Turning to what this may mean for the financial impact of the Tesco and Sainsburys proposals on Edenbridge town centre with the Waitrose store in place, it is useful to look back to the previous impact assessments provided by GVA. In our May and July 2013 advice reports to the Council, the impact of the Sainsburys store was based upon the base data in the Sainsburys retail assessment. Similarly, the impact of the Tesco proposal was based upon the base data from the Tesco assessment. This led to the following forecasts:

⁵ Appendix A of their November 2013 note

Table A: Convenience Goods Turnover and Estimated Trade Draw - Sainsburys

Store	Estimated Turnover (£m)	Trade Draw (£m)
Co-op	£12.49	£6.18
Tesco Express	£2.57	£0.77
Local Stores	£0.31	-
Total	£15.37	£6.95

Source: July 2013 GVA Addendum note

Table B: Convenience Goods Turnover and Estimated Trade Draw - Tesco

Store	Estimated Turnover (£m)	Trade Draw (£m)
Co-op	£8.05	£1.70
Tesco Express	£2.52	£0.39
Local Stores	£0.46	£0.01
Total	£11.03	£2.10

Source: July 2013 GVA Addendum note

There is now an opportunity to update these assessments to take into account the Waitrose store and, whilst we can only forecast the likely turnover of the Waitrose, an assumption that the store will trade close to company average is a reasonable starting point. A company average trading performance for Waitrose for the Edenbridge store would be circa £11.1m and this is close to the Co-op turnover as estimated by the Sainsburys survey data (£11.7m). Whilst there is no certainty that the Co-op did trade at this level (given the other estimate⁶ of a £7.7m turnover at 2011, rising to £8m in 2016), we have therefore assumed, for the purposes of our impact assessment that the Waitrose will trade at £11.7m now and rise to £12.49m in 2018⁷.

Our latest impact assessment for both proposals is attached to this letter. Reference should be made to the sections coloured green in Table 1 for Sainsburys and Table 2 for Tesco.

Starting with the Sainsburys proposal, our previous estimate was a 50% loss of trade for the Co-op and a 30% loss of trade for the Tesco Express. Having considered the likely trading profile of the Waitrose store, we consider that a 50% impact on the Waitrose store remains a reasonable and likely consequence of the proposed Sainsburys, with no need to

⁶ Based on Tesco survey data

⁷ I.e. if the Tesco survey data was correct, there will have been an increase in turnover, whilst if the Sainsburys data was correct then the overall turnover of that store will remain relatively static.

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change the impact prediction for the Tesco Express either. We would like to make a small correction to the impact on other convenience goods floorspace and predict that the Sainsburys, like the Tesco, will divert £0.01m of trade from these stores. Therefore, the overall impact of the Sainsburys upon the convenience goods retail sector in Edenbridge town centre is 45%.

In relation to the impact of the Tesco, it should be noted that our predicted impact of 21% was based upon inter alia two factors: the size of the proposed Tesco and a lower turnover for the Co-op. With the assumption that the Waitrose turnover could be larger there is a need to examine whether the financial impact of the Tesco will not be higher. Based upon this higher turnover, we expect the impact of the Tesco store to be higher, at around £2.9m. This will equate to a 23% impact on the turnover of the Waitrose store and an overall impact upon the town centre's convenience goods sector of 21%.

In terms of the consequences of these impacts, our previous advice noted that the Co-op was unlikely to close, although the scale of direct impact on town centre stores could have knock-on impacts in terms of linked trips, increased vacancies and loss of town centre vitality and viability.

In relation to situation now, with Waitrose due to open shortly, it is useful to have regard to the letter provided by Firstplan (on behalf of Waitrose). The letter confirms that Waitrose will open their store soon, in full knowledge of the Sainsburys proposal and the possibility that it will be built. The concerns raised are therefore related to the longer term investment and operation of the Waitrose store.

As you know, there are two limbs to the NPPF impact test: impact on investment and impact on town centre vitality and viability. Therefore, the concerns over the future investment by Waitrose are capable of being taken into account by the Council and, in our opinion, are valid concerns. Indeed, whilst the issue of impact on investment was taken into account in our previous advice, it is now a higher profile issue to be considered in light of the Waitrose letter.

On the basis of the Waitrose trading at company average level following its opening in the near future, the impact of both the Sainsburys and Tesco stores would send the Waitrose store to below company average levels. The scale of such under-trading is more severe in the Sainsburys scenario and is more likely to lead to Waitrose reducing or stopping investment in their store. Combined with the loss of turnover, this could have a consequential impact upon the health and attractiveness of the town centre.

The Firstplan letter does not refer to the impact of the Tesco store on the future operation of the Waitrose, although, in our opinion, whilst there may also be some concern, the smaller size of the Tesco store is likely to lessen the negative impact on future investment. It is likely that the Waitrose store will be able to compete with the Tesco on a more level playing field than the Sainsburys and, as such, the scale of adverse harm to investment will be lower.

gva.co.uk

Looking at the wider impact of the two proposals on the town centre, the total impacts upon the retail sector in Edenbridge town centre are outlined below:

Table C: Total Trade Draw - Impact on the town centre retail sector – Sainsburys

	Estimated Turnover (£m)	Trade Draw (£m)
Convenience Goods	£15.37	£6.95
Comparison Goods	£14.10	£0.85
Total	£29.47	£7.8
Impact on Town Centre retail sector	-	26.5%

Table D: Total Trade Draw - Impact on the town centre retail sector – Tesco

	Estimated Turnover (£m)	Trade Draw (£m)
Convenience Goods	£15.37	£3.30
Comparison Goods	£14.10	£0.85
Total	£29.47	£4.15
Impact on Town Centre retail sector		14.1%

As indicated above, the impact of the proposed Sainsburys store on the retail sector Edenbridge town centre remains at 26.5%, whilst the impact of the proposed Tesco is 14.1%. Whilst this a small increase from our previous advice (11.7%) this is due to the use of consistent data with the Sainsburys assessment. In any event, the impact of the proposed Tesco is broadly half of the impact associated with the Sainsburys store.

Agenda Item

Based upon the above, we have reached the following conclusions regarding the latest set of circumstances in Edenbridge:

- Both the proposed Tesco and Sainsburys supermarkets will have an adverse impact upon Edenbridge town centre, via both a direct loss of trade and also the loss of linked trips associated with the Co-op/Waitrose store.
- There is a material difference between the severity of the impacts associated with the Sainsburys and Tesco proposals. The Tesco impact is broadly half of that associated with the Sainsburys store.
- There is a reasonable likelihood that the new Waitrose store will change local shopping patterns and claw back some trade which is currently flowing to other settlements. If this is the case, then the clawback arguments promoted by both applicants may be diluted.
- The impacts associated with the Sainsburys store present a greater risk for store closures in the town centre, loss of investment and a greater loss of vitality via the loss of linked trips.
- Our previous advice noted that the impact of the proposed Sainsburys was at the limits of acceptability. This latest advice has taken into account the uncertainty over the turnover of the Co-op store, the uncertainty over the likely trading impact of the Waitrose, the contribution that this anchor store makes to the town centre and also the market positioning of Waitrose and Sainsburys. As a consequence of these factors, we have a growing concern that the severity of the Sainsburys impact will breach this 'limit of acceptability'. Therefore, there is a real risk that the impact of the Sainsburys proposal could lead to a significant adverse impact on Edenbridge town centre.
- Clearly, these uncertainties also relate to the Tesco store, although the severity of the impacts associated with the proposed Tesco mean that we have less concern over the overall impact on the town centre. Nevertheless, this is a negative aspect of the Tesco which will need to be weighed in the overall planning balance when the Council reaches its final decision on this application.

In relation to the cumulative impact of providing both new supermarkets, our previous advice advised that the increasing financial impact upon Edenbridge would lead to a significant adverse impact upon the town centre. Given the comments outlined above regarding the solus impact of each scheme, particularly the Sainsburys, we continue to hold the same views as previously advised and attach an updated cumulative impact assessment (Table 3) which takes a worst case approach to cumulative impact⁸.

⁸ Please note that the previous GVA advice provided a worst case scenario with both new stores trading at company average levels and the two solus impact estimates added together. The latest estimate at Table 3 mirrors this approach although in reality the cumulative impact of two new stores may well sit between the Sainsburys solus impact (Table 1) and the worst case cumulative impact (Table 3)

Therefore, if the Council continues to support the Sainsburys proposal, which has the larger share of the cumulative impact, there are reasonable grounds to refuse permission for the Tesco based upon paragraphs 26 and 27 of the NPPF. We reach this conclusion on the basis of two factors:

- o The increasing financial impact of two new supermarkets on the retail sector in Edenbridge town centre;
- o The likelihood that town centre vitality will be harmed further; and
- o The increased competition for the town centre posed by two new large out of centre supermarkets.

I trust that the contents of this letter are sufficient for your current purposes. However, if you have any queries then please do not hesitate to contact me.

Yours sincerely



Matthew S Morris BSc(Hons) DipTP MRTPI
Director – Planning, Development & Regeneration
For and on behalf of GVA Grimley Ltd

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gva.co.uk

SEVENOAKS DISTRICT COUNCIL
PROPOSED FOODSTORES EDENBRIDGE

TABLE 1: **SAINSBURYS** - CONVENIENCE GOODS RETAIL IMPACT ON EDENBRIDGE TOWN CENTRE & RETAIL EXPENDITURE CAPACITY IN EDENBRIDGE

Store	Total sq. m	Floorpace Conversion %	Convenience sq. m	Sales Density (£/sq. m)	Pre-Sainsburys (£m)	Benchmark After Sainsburys (£m)	2018 Turnover Pre-Sainsburys (£m)	2018 Turnover After Sainsburys (£m)	Capacity (£m)	Impact (£m)	Impact %
Watsons	1152	80%	921	£11,163	£11.1	£11.1	£12.5	£0.3		£0.2	-49%
Next Express	350	90%	225	£11,367	£2.6	£2.6	£2.6	£1.8		£0.8	-30%
Other stores	450	100%	450	£4,000	£1.8	£1.8	£0.3	£0.3		£0.01	-3%
Total							£15.4	£5.4		£7.0	-45%
Sainsburys											
Total Benchmark					£15.42	£24.6	£15.4	£24.6			
Total Actual						£40.0		£33.0			
Capacity									-£7.0		

Notes: Floorpace and turnover data taken from previous GVA advice and applicant's retail assessments. Impact of Sainsburys store on Edenbridge town centre based on GVA forecasts.

SEVENOAKS DISTRICT COUNCIL
PROPOSED FOODSTORES, EDENBRIDGE

TABLE 2: **TESCO** - CONVENIENCE GOODS RETAIL IMPACT ON EDENBRIDGE TOWN CENTRE & RETAIL EXPENDITURE CAPACITY IN EDENBRIDGE

Store	Total sq m	Footprint Convenience %	Convenience Convenience sq m	Sales Density (£/sq m)	Benchmark Pre-Sainsburys (£m)	Benchmark After Sainsburys (£m)	2018 Turnover Pre-Sainsburys (£m)	2018 Turnover After Sainsburys (£m)	Capacity (£m)	Impact £m	Impact %
Watsons	1152	86%	991	£11,163	£11.1	£11.1	£12.5	£9.6		£2.9	-23%
Tesco Express	250	90%	225	£11,367	£2.6	£2.6	£2.6	£2.2		£0.4	-15%
Other stores	450	100%	450	£4,000	£1.8	£1.8	£0.3	£0.3		£0.01	-3%
Total							£15.4	£12.1		£3.3	-21%
Sainsburys											
Total Benchmark					£15.42	£15.2	£15.4	£15.2			
Total Actual						£30.6	£15.4	£27.3			
Capacity									-£3.3		

Notes: Footprint and turnover data taken from previous GVA advice and applicant's retail assessments
Impact of Tesco store on Edenbridge town centre based on GVA forecasts

SEVENOAKS DISTRICT COUNCIL
PROPOSED FOOD STORES, EDENBRIDGE

TABLE 3: **CUMULATIVE IMPACT - CONVENIENCE GOODS RETAIL IMPACT ON EDENBRIDGE TOWN CENTRE**

Store	Total sq. m.	Floorpace Convenience %	Convenience sq. m.	Sales Density (£/sq. m.)	Pre-Sainsbury's (£m)	Benchmark After Sainsbury's (£m)	2016 Turnover Pre-Sainsbury's (£m)	2016 Turnover After Sainsbury's (£m)	Capacity (£m)	Impact £m	Impact %
Waitrose	1452	86%	591	£11,163	£11.1	£11.1	£12.5	£3.4		£9.1	-73%
Tesco Express	250	90%	225	£11,367	£2.6	£2.6	£2.6	£1.4		£1.2	-45%
Other stores	450	100%	450	£4,000	£1.8	£1.8	£0.3	£0.3		£0.0	-6%
Total							£15.4	£5.1		£10.3	-67%
TOTAL IMPACT ON TOWN CENTRE RETAIL SECTOR											
Convenience							£15.4	£5.1		£10.3	-67%
Comparison							£14.1	£12.4		£1.7	-12%
Total							£29.5	£17.5		£12.0	-41%

Notes: Floorpace and turnover data taken from previous OVA advice and applicant's retail assessments
Impact of Sainsbury's and Tesco stores on Edenbridge town centre based on data in Tables 1 and 2, and presents a worst case scenario



Our Ref: A061921/rp
 Your Ref: SE/13/00134

Date: 21st February 2014

Ms Joanna Russell
 Sevenoaks District Council
 Planning Department
 Council Offices
 Argyle Road
 Sevenoaks,
 Kent TN13 1GN

Dear Joanna

**SAINSBURY'S SUPERMARKETS LTD & JOHN SURTEES LTD, EDENBRIDGE
 [LPA REF: SE/13/00134/FUL]**

Sevenoaks District Council resolved to grant planning permission for the above referenced planning application on 8th August 2013 subject to the Secretary of State agreeing that there were no grounds for 'call in' and to a satisfactory section 106 undertaking being completed. Both those events have now occurred. The Secretary of State has looked carefully at the application and has agreed that there are no matters of concern to him, and Sainsbury's and John Surtees have signed a section 106 undertaking which will see a number of benefits delivered to Edenbridge.

Our clients have therefore met all their obligations, and planning permission should be resolved to be granted at your planning committee on 27th February.

We are aware that Firstplan has submitted a letter on behalf of Waitrose (dated 3 February 2014) suggesting that there has been a material change of circumstances which might result in a different decision being made. We are also aware of submissions made by the Council's advisors (GVA) via an email dated 9th January 2014 and a letter dated 17th February 2014. Nothing in any of this correspondence suggests that there has been a material change in circumstances which would warrant members doing anything other than seeking to grant planning permission once again. Indeed, the 9th January email from GVA stated that "following the announcement of Waitrose's commitment to the town centre, this will to some extent help offset the impact of the Sainsbury's on the town centre and alleviate some of the concerns previously identified in relation to the potential loss of linked trips".

In addition, the most recent GVA letter concludes that:

As indicated above, the impact of the proposed Sainsburys store on the retail sector Edenbridge town centre remains at 26.5%, whilst the impact of the proposed Tesco is 14.1%. Whilst this a small increase from our previous advice (11.7%) this is due to the use of consistent data with the Sainsburys assessment. In any event, the impact of the proposed Tesco is broadly half of the impact associated with the Sainsburys store.



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creative minds safe hands



Therefore, the forecast impact of the Sainsbury's store is **exactly** the same as members considered, and approved, at the time of the previous committee. Therefore, this clearly does not represent a material change in circumstance.

Turning to the letter from Firstplan on behalf of Waitrose, we find it incredulous that they suggest "Waitrose was not aware of the Council's resolution to approve the Sainsbury's". To that end, please find attached to this letter a chronology of public announcements relating to the Sainsbury's proposals dating back to November 2012. We also know that GVA held this view, as expressed in their email of 9th January 2014. At the very least this smacks of naivety by Waitrose, and in no short measure, a complete failure to understand the very vocally expressed support of the local population for the Sainsbury's and John Surtees proposals over a long period of time.

The relevance of this of course, is that Firstplan go on to claim that if Sainsbury's opened, then "Waitrose may have to review any future decisions to invest in the store further....contrary to NPPF retail policy 27".

The correct reference is NPPF Paragraph 26, which states that:

26. When assessing applications for retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq m). This should include assessment of:
- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
 - the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made.

Question: So what *has* been the impact of the Sainsbury's proposal on existing, committed and planned investment in Edenbridge Town Centre?

Answer: That Waitrose, in full knowledge of Sainsbury's plans (documented publicly since 2012), not only registered an interest in the Co-op store, but actually completed its purchase. There can quite literally be no better demonstration that the Sainsbury's proposals have not prejudiced investment on the High Street, and in fact seem to have positively encouraged it.

Conclusions

We have heard a lot about material changes in circumstance. But this was a fair and democratic decision and the proposals for the John Surtees site were, and still are, the overwhelming choice of the public and the High Street. There has been a lot of rhetoric about the Sainsbury's proposals being the enemy of the High Street, and yet the High Street spoke at your committee in August in polar support of those proposals.



The only material change is a positive one. Waitrose have invested in the High Street. This only serves to back up everything we always said about Sainsbury's raising the profile of the town and acting as a magnet for further investment in it.

Further material considerations for resolving to grant the Sainsbury's permission – missing from the analysis by Firstplan and more latterly, GVA – should not be forgotten. These included:

- Jobs. The new store will create around 200 full and part-time jobs.
- Store size. There is a need for a size of main food store capable of providing the range and choice of goods to offer a main food shop. More than 60% of residents currently leave Edenbridge for such shopping. A simple change in fascia from Co-op to Waitrose cannot disguise the fact that the inadequate size of that store remains. Additionally, the Sainsbury's store will sell a range of non-food items, including the much needed provision of clothing items, as requested by the local population.
- Trip distances. Currently a large proportion of residents leaving Edenbridge for main food shopping travel a round-trip of 20 miles or more. This is both inconvenient and unsustainable in terms of carbon emissions.
- S106 undertaking. This encompasses a range of obligations including the provision of a hopper bus from the store to the High Street, and financial contributions including shop front improvements and improved public conveniences.

In summary, members have even more reason to be comfortable with their decision than they were previously. Edenbridge will be the winner. Residents of the town will benefit from a stronger High Street offer in the form of the small but newly invested-in Waitrose, allied to a main food store in the shape of Sainsbury's which is capable of preventing the significant leakage of trade from the town to farther afield.

Protestations to the opposite are purely borne of commercial interest. The general public and the traders of Edenbridge have spoken, as previously have members. We would urge members to back these proposals in line with officer's recommendation.

Yours sincerely



Rob Pearson
Director
For and on behalf of WYG

Enc.



CHRONOLOGY OF SAINSBURY'S AND WAITROSE INVESTMENTS

creative minds safe hands

Project: Sainsbury's, Edenbridge

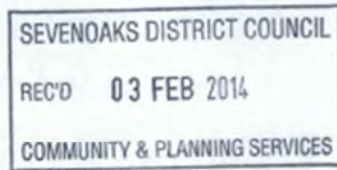
Title: Chronology in relation to Waitrose



Date	Activity/Milestone
2012	
14 November	Brochures sent out to local residents detailing Sainsbury's plans
20 November	First press release issued – 'Sainsbury's launches consultation on new store in Edenbridge'
22 November	Project website launched – www.sainsburys-edenbridge.co.uk
30 November	Sainsbury's public exhibition at Rickards Hall
1 December	Sainsbury's public exhibition at Rickards Hall
3 December	Press release – 'Overwhelmingly positive response to Sainsbury's proposals'
2013	
25 January	Sainsbury's application validated and registered by Sevenoaks District Council
29 January	Press statement (regarding announcement of Tesco proposals)
4 March	Sainsbury's exhibit at Edenbridge Town Council Annual Meeting
11 April	Press release – 'Sainsbury's confirms commitment to town centre'
10 May	Press statement (regarding Chamber of Commerce poll showing support for Sainsbury's)
5 July	Sainsbury's exhibit at Chamber of Commerce breakfast show/business show
31 July	Sevenoaks District Committee report published
8 August	Sevenoaks District Council Development Control Committee – Members resolve to approve Sainsbury's application and defer Tesco's proposals
9 August	Press release – 'Supporters turn out in huge numbers to see Council give green light for new Sainsbury's'
13 September	Application referred to Secretary of State (SoS)
3 October	SoS letter to confirm additional time needed to review application
11 November	Waitrose proposals for Edenbridge announced in Retail Week website
12 November	Waitrose proposals for Edenbridge announced on thisiskent.com website
19 December	SoS issues decision not to call-in application
2014	
3 February	Waitrose objection issued to Sainsbury's application

ENDS

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Our Ref: SLK/ 14010
Your Ref:
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Date: 3rd February 2014

Ms J Russell
Sevenoaks District Council
Planning Department
Council Offices
Argyle Road
Sevenoaks
KENT
TN13 1GN
e-mail: Joanna.russell@sevenoaks.gov.uk

Dear Madam,

SAINSBURYS STORE - LAND AT STATION ROAD AND FIRCREFT WAY
EDENBRIDGE (REF: SE/13/00134)

We act for Waitrose Ltd, who as you are aware, will be opening in the former Co-op store in Edenbridge, in March this year. Although Waitrose is looking forward to opening a new store in Edenbridge and strengthening the town centre, they are concerned about the impact of a new out of centre Sainsbury store of the scale proposed, on the future trading performance of the store and the implications for the town centre as a result.

We understand that the Council will be reviewing the Sainsbury's application which they resolved to approve last August, as the decision has expired, at the Development Control Committee on 27th February 2013. The Tesco application that was deferred at the same committee, will also be considered. There is an opportunity therefore for members to review the Sainsbury's application again, given the importance of the change in operator of the anchor store, to ensure that it will not have any "significant adverse impact" for the purpose of the NPPF retail test.

However it appears, in terms of procedure, that the Officer's Report will just update Members of the change in circumstances, since the committee resolved to approve the Sainsbury's application, last August. The Officer's report will inform them of the Secretary of State's decision not to call in the application and advise them of the change in occupancy of the Co-op store. The Council asked their Retail Consultants GVA to advise them on the impact implications of the change in occupancy. We understand that they concluded that their impact conclusions would remain the same and that it was unnecessary to undertake a new Retail Impact Study, in an email dated 19th December 2013. As a result it is understood that there is no need for further debate on the application.



However we do not consider that the GVA email represents a proper assessment of the implications of the change in operator. It is based on flawed and unsubstantiated assumptions which in our view, cannot be relied on to assess the implications properly. GVA acknowledge in the email that it is only "*an initial response*".

The Co-op previously submitted an objection to the application on impact grounds and expressed concerns about the implications for the town centre, in terms of loss of linked trips. As the future operator of the town centre anchor store, Waitrose share the same concerns as the former operator.

Waitrose was not aware of the Council's resolution to approve the Sainsbury's, contrary to GVA's assertion in their email. At the time Waitrose agreed to buy the Co-op, they had expected the Sainsbury's application would be refused and that they were going to get a Tesco store of half the size. As a result Waitrose consider that as the new operator of the town centre anchor store that they have a right to object to ensure that their concerns are taken into account.

The Officer's original recommendation was to refuse planning permission for the Sainsbury's on impact grounds and recommend approval for the competing Tesco proposal that was third of the size, as it would have less impact. However notwithstanding this advice, Members resolved to grant permission for the Sainsbury by the narrowest possible margin, on the basis that "*the increased retail choice provided by the Sainsbury,*" was considered material by members.

A change in occupier is a material planning consideration, as assumptions about trade diversion are based on the market position of the retailer, as confirmed by the Practice Guidance at paragraph 7.28, which identifies the market sector/role "*as a key factor*" affecting the judgement of trade draw and diversion. We understand that GVA previously estimated that the Sainsbury's proposal would have an estimated impact of 26.5% on the town centre as a whole, with impact of up to 50% on the Co-op, as a result they advised that the Sainsbury's proposal was on "*the margins of acceptability*". It is essential in our view, that members fully consider the implications of a Waitrose store opening, especially given the previous advice on impact by GVA.

As GVA previously highlighted, the impact of the Sainsbury's proposals were also subject to risks, including the greater than anticipated uptake of internet spending and/or slower than anticipated growth in expenditure, which could lead to greater impacts on the turnover of the town centre anchor stores. (Officer's Report Sainsbury para 74). Also identified was the risk that the Co-op store was not overtrading to the extent forecast and if it was not, the extent which it could sustain a reduction in turnover.

We consider that it is essential, that the Council consider fully the implications of the change in operator as required by the NPPF test; especially since this was such a finely balanced advice and instruct their consultants to undertake a new Retail Impact Assessment.

GVA acknowledge in the email, that there are differences between the operators which could affect the impact conclusions. They highlight the difference in average turnover



between the two stores, acknowledging that the expected turnover of the Waitrose store will be significantly higher than the Co-op and therefore will "absorb" more expenditure. As a result there is a significant uplift in turnover required (£3.6m) to enable Waitrose to occupy the store based on the company average than the Co-op ie £9.3m for the Co-op compared with Waitrose of £12.9m (based on sales densities from Verdict 2013). As GVA acknowledge there is only a finite amount of convenience expenditure available.

GVA argue that this uplift will be achieved through "claw back trade" from customers who currently visit other Waitrose stores in the area, such as East Grinstead. As a result in their view, these combined effects "will largely balance each other out". However this assertion is not based any analysis of existing shopping patterns or assessment of market share compared with other operators in the catchment area.

We believe that GVA has exaggerated the likely ability of the Edenbridge store to claw back trade from East Grinstead store. The WYG Household Shopping Survey indicates that there is very limited leakage of convenience expenditure to the store from the catchment area (£1.4m), and of this, only £0.31m comes from the primary catchment area Zone 1; the remainder is from Zone 4 (Lingfield) which is located very close to East Grinstead. The East Grinstead store also significantly larger (1,950 sqm) than the proposed Edenbridge store (1,152 sqm) and would therefore be able to offer a wider range of goods to customers. As a result it is unrealistic in our view, to assume that the new Edenbridge store will claw back trade from this zone, given the good road connections and attractiveness of the existing store.

The estimated impact of 50% on the Co-op store was previously only acceptable, on the basis that the Co-op was trading at some 52% above Company average. For the Waitrose to sustain the same level of impact as the Co-op, it would also have to trade above Company average ie at £19.3m to be acceptable. However it is likely, given the difference in customer base between Waitrose and the Co-op that Sainsbury's would compete more directly for trade with Waitrose than the Co-op. As a result the level of trade diversion could be greater than previously predicted.

We do not understand, based on GVA's table 2 in the Addendum to Edenbridge Foodstore Critique undertaken in August 2013, how there will be enough expenditure to support the change in operator and achieve the uplift the turnover required and to support a new Waitrose store and a Sainsbury's store of the scale proposed.

What has been established is that the Sainsbury's proposal is currently "on the margins of acceptability". It is essential in our view that the assumptions are fully tested via a new Retail Impact Assessment, to demonstrate how this uplift in turnover will be achieved as the store should be afforded protection as it is the anchor store in the town centre in line with both NPPF retail policies.

Waitrose is looking forward to opening a store in Edenbridge and strengthening the town centre. However if Sainsbury's opens and their concerns about impact are realised, then Waitrose may have to review any future decisions to invest in the store further. This would be contrary to NPPF retail policy 27 which seeks to protect committed private investment to strengthen and support the vitality and viability of existing town centres.



We know that Sainsbury's is already at the limits of acceptability in impact terms. We believe that these can only be magnified by the change in operator, and any benefits accrued by Waitrose investing in Edenbridge would be lost.

As the advice contained in NPPF para 70 indicates, any decision should ensure that established shops, facilities and services are able to develop and modernise in a way which is sustainable and retained for the benefit of the community. It is essential that the change in operator should be tested, because if the impact is greater than previously identified, then there is a strong case for the Council to reconsider their decision.

It is important that Waitrose concerns are fully reported to the Members in order to ensure there is proper consideration of this change in circumstance in terms of impact, so that members do not take an irrevocable decision which may adversely affect the future vitality and viability of the town centre.

Yours faithfully

A handwritten signature in blue ink that reads "Shirley Karat".

SHIRLEY KARAT
Firstplan



Our ref: J029042
Your ref: SE/13/00935 & SE/13/00134

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24 February 2014

Dear Sir

Edenbridge – Proposed Sainsbury's and Tesco stores

I write following review of the recent submission by First Plan on behalf of Waitrose Ltd objecting to the current Sainsbury's application at Edenbridge (dated 3 February), as well as the subsequent letter from GVA Grimley (dated 17 February) revisiting the previous advice given on the above planning applications.

In relation to the First Plan letter, we agree that:

- **the previous 'initial' advice from GVA in relation to the change in occupancy of Edenbridge's anchor store 'cannot be relied on to assess the implications properly'.**
- **The change in occupier is a material planning consideration which the Council need to fully assess.**
- **The extent of likely clawback to the Waitrose store is limited and that, as a consequence, it is questionable that there is sufficient capacity to support both the Waitrose store and a new Sainsbury's store.**

In relation to the last bullet point, we have prepared the following capacity table which demonstrates that not only is capacity in the primary catchment area limited but that the introduction of the Sainsbury's store would result in a significant, unsustainable and, given the proximity and greater attraction of other centres, unrealistic level of inflow. This is point we have consistently made as a major area of concern in reviewing the Sainsbury's submissions. The corollary of this is one of increased impact on the town centre.

	Sainsbury's
Available expenditure in primary catchment area	£29.27
Benchmark turnover of existing stores	£11.19
Retention rate	38%
Benchmark turnover post-Waitrose	£16.41
Retention rate	56%
Benchmark turnover post-new store	£41.21
New retention rate	141%

We also draw your attention to the final point made in the First Plan letter that ***'if Sainsbury's opens and [Waitrose's] concerns about impact are realised, then Waitrose may have to review any future***

decisions to invest in the store further. This would be contrary to NPPF retail policy 27 which seeks to protect committed private investment to strengthen and support the vitality and viability of existing town centres'.

In light of these comments, we welcome the Council's decision to instruct GVA to undertake a fuller assessment of the implications of the change in fascia with regard to the current planning applications. We have now reviewed this and welcome elements of the analysis, namely:

- The acknowledgement, in line with the observations made in the First Plan letter, that the change in fascia is likely to result in a shift in the customer base of those using Waitrose compared to the previous Co-op store.
- Agreement that the Sainsbury's store is likely to divert more trade away from the town centre because of 'the larger size of the Sainsbury's store and its ability to dominate convenience goods shopping in Edenbridge' and the greater overlap in market positioning of Waitrose and Sainsbury's, compared to Waitrose and Tesco.
- The impacts associated with Sainsbury's store 'present a greater risk for store closures in the town centre, loss of investment and a greater loss of vitality via the loss of linked trips'.
- As a consequence of the greater impact arising from the Sainsbury's proposal, the implications for investment in the town centre are much more pronounced and adverse, thus it 'is more likely to lead to Waitrose reducing or stopping investment in their store'. This is a matter the First Plan letter makes explicit comment on and is evidence of investor concern in the town centre in the event the Sainsbury's application is approved.
- **The smaller size of the Tesco store is highly material to judging the issue of investor confidence, meaning that 'the Waitrose store will be able to compete with Tesco on a more level playing field than the Sainsbury's and, as such, the scale of adverse harm to investment will be lower'. Consequently, the benefits to local residents will be enhanced, as the town centre stores invest in their offer in order to compete with Tesco; rather than, as with the Sainsbury's impact, result in a level of undertrading that is such that further investment simply cannot be justified.**

However, we have significant concerns over the conclusions reached and believe the advice to be flawed in a number of key respects. To explain:

- There is real uncertainty over the level at which the Co-op store traded previously; this is reflected by the differing results obtained from the two household surveys. Whilst we note that GVA acknowledge this uncertainty, there is no justification for GVA adopting the higher turnovers set out in the Sainsbury's application over the turnovers derived from the GL Hearn-commissioned survey work.
- We recognise that the Waitrose is likely to trade a higher level than the Co-op and agree that it is difficult to accurately predict or model. However, it can be concluded that it is likely to effect a change in existing shopping patterns, which will be delivered through a combination of diversion from existing stores within Edenbridge and as well as clawing back expenditure. It cannot be assumed that the overall centre turnover will be at the level GVA are suggesting.
- If the turnover of the Waitrose is substantially higher than the Co-op then this is as a result of claw back which will materially affect the level of diversion to either out-of-centre store from the town centre.
- Given the uncertainty surrounding the previous level of turnover of the Co-op store and the fact that this range in turnover existed when GVA issued their August 2013 advice to the Council, there is no justification at this juncture to significantly revise the anticipated level of diversion from the town centre stores to Tesco.
- The adjustments made to the anticipated diversion of the Tesco store as a consequence of the change in fascia are equally, if not more, applicable to the Sainsbury's diversion. However, GVA have not applied this logic consistently and whilst they have increased the level of diversion from Waitrose to the Tesco store from £2.12 to £3.30m, they have not carried out the same exercise for Sainsbury's. In fact, it has been reduced.
- Fundamentally, given the acknowledgement earlier in the letter that 'the Sainsbury's store is likely to draw more trade away from Edenbridge town centre than the Tesco proposal', it is not logical that the

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change in fascia is likely to increase diversion to the Tesco and actually reduce diversion to the Sainsbury's.

In order to resolve these flaws, we have reworked the GVA analysis to provide a robust analysis below. This reworking assumes that, given the greater overlap in market positioning and the fact that:

- The Waitrose store will affect a new pattern of trade draw, including clawback from stores that are more closely positioned to both Waitrose and Sainsbury's. As a result, impact on the town centre stores will be greater than previously assumed by GVA i.e. their conclusion at the final paragraph of page 5 of their letter that 'a 50% impact on the Waitrose store remains a reasonable and likely consequence of the proposed Sainsbury's' is not supported by the views expressed elsewhere in their letter.
- The more limited overlap in market between Tesco and Waitrose, compared with Tesco and Co-op as previously the case, will attract expenditure being lost from the catchment area to stores further afield in the lower end of the convenience market. However, acknowledging that the Waitrose store will inevitably attract a higher turnover and will be geographically the closest store, there will be diversion. As such, the level of impact from Tesco is maintained at the previous levels estimated by GVA in their August 2013 advice.

In order to provide common ground for the Council in reviewing this, we have adopted GVA's estimated turnovers for the existing Edenbridge stores and also their impact year of 2018. It should be noted that we remain of the view 2016 represents a more appropriate impact year, based on the anticipated opening year of 2015 of both proposed developments and taking into account the Practice Guidance on this point.

	Estimated turnover (£M)	Sainsbury's diversion (£M)	Tesco diversion (£M)
Convenience goods			
Waitrose	£12.5	£7.5	£2.12
Tesco Express	£2.6	£0.8	£0.4
Local shops	£0.3	£0.01	£0.01
Comparison goods	£14.1	£0.85	£0.85
Total	£29.5	£9.16	£3.38
Impact on town centre retail sector		31%	11%

Given GVA's previous conclusions that 26.5% was on the 'margins of acceptability', it is clear that taking into account the factors that GVA themselves have identified in their letter as being material factors in assessing impact, **the anticipated impact of the Sainsbury's store of over 30% means that the application can no longer be deemed to be within the realms of acceptability and has tipped the balance into significantly adverse** in the context of the NPPF test at paragraph 27.

Furthermore, we are surprised by GVA's advice to the Council even on their flawed forecasted 26.5% impact on the town centre. Whilst we are aware that it is difficult to compare percentage impacts across different locations, we draw the Council's attention to the recent advice provided by GVA to Torbay Council that 10% impact was held to be significantly adverse and would merit refusal under the same paragraph of the NPPF. This advice was provided in the context of a town centre that, unlike Edenbridge as a rural service centre underpinned by its convenience offer, comparison shopping is the key component in Torbay's role. It is particularly worrying that even though the convenience shopping role of Edenbridge is much more important to its continued vitality and viability and the impact of the proposed Sainsbury's will be focused on the town centre's anchor store, GVA have not provided the Council with definitive advice on whether they consider the proposed store's impact is significantly adverse. This is in sharp contrast to Torbay where, in relation to 10%

impact, GVA recommended to the Council and the Council acted on their advice in refusing planning permission on the basis of conflict with the NPPF.

There has been no consistency in the advice being given to the Council by GVA and we consider that the only course of action is to commission advice from an independent consultant in order to be able to reach an informed decision on this crucial matter. This is in our view imperative in circumstances where there is compelling evidence to demonstrate that GVA have underestimated the impact on Edenbridge town centre, given their conclusions that:

'we have a growing concern that the severity of the Sainsbury's impact will breach this 'limit of acceptability'. Therefore, there is a real risk that the impact of the Sainsbury's proposal could lead to a significant adverse impact.'

In this regard, whilst we note the GVA letter concludes that planning permission for the Tesco store should be refused on the basis of cumulative impact, this is premised on the assumption that the Council will continue to support the Sainsbury's application. However, when the above concerns are addressed, **there is clearly no doubt that the impact of the Sainsbury's store will be significantly adverse and the Sainsbury's application cannot be deemed to constitute sustainable development** in the context of paragraph 27 of the NPPF which states that 'where an application fails to satisfy the sequential test or is likely to have significant adverse impact ... it should be refused'.

These matters are highly material to the Council's recommendations to Members and Members' subsequent consideration of the Sainsbury's application at this week's committee.

Should you have any queries, please do not hesitate to contact Cathy Hall at this office, or Paul Carter as the agent on this application.

Yours faithfully



GL Hearn

cc. Ian Lawrence Tesco Stores Ltd
Garry Gatt Decimus Ltd
Paul Carter Paul T Carter Planning

This message was sent with High importance.

From: Morris, Matthew (GVA) <Matthew.Morris@gva.co.uk>
To: Steve Craddock
Cc: Joanna Russell
Subject: RE: Thursday

Sent: Wed 26/02/2014 13:56

Steve / Joanna,

Thank you for sending across the letter from GL Hearn ('GLH'), on behalf of Tesco, dated 24th February 2014. You have asked for a response to the contents of the GLH letter and I provide this below.

We note that GLH welcome parts of our advice dated 17th February 2014 but raise concern over certain elements. These concerns appear to surround: the uncertainty over the trading position of the former Co-op store; the uncertainty over the trading position of the new Waitrose; and how the customer base in the town centre may change as a consequence of the transition from Co-op to Waitrose; and, as a consequence of these factors, concern over the assumptions made by GVA in our latest advice.

Clearly, our advice does make some assumptions regarding the above factors, but our advice very careful to outline similar concerns to those raised by GLH when reaching our own conclusions (i.e. uncertainty over Co-op and Waitrose trading levels). Indeed, it is salient to note the latest GLH assessment adopts the same turnover data as our latest advice despite GLH's earlier criticisms of this data.


On this basis, we see no need to add further to our 17th February advice letter.

Please let me know if you need anything else

Kind regards

Matt

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Send a free - please don't send this email unless you really need to.