



**MATTER 4:
EMPLOYMENT AND RETAIL**

**PERSONAL ID:
19941**

**REPRESENTOR REFERENCE:
61326**

**SOUTH CAMBRIDGESHIRE
LOCAL PLAN
EXAMINATION IN PUBLIC**

**HEARING STATEMENT
BY SHRIMPLINBROWN
ON BEHALF OF
HOWARD GROUP**

OCTOBER 2014

ShrimplinBrown
Planning & Development

Lion House, Oriental Road
Woking, Surrey, GU22 8AR
t: 01483 745 414/5
e: info@shrimplinbrown.com
w: www.shrimplinbrown.com

1. This Hearing Statement has been produced by ShrimplinBrown on behalf of Howard Group.

a. Is the forecast growth of net additional jobs (22,100 for Cambridge City and 22,000 for South Cambridgeshire District) based on a clear understanding of business need and a robust evidence base?

2. No comment.

b. Does the evidence base supporting employment and retail policies meet the requirements of Planning Practice Guidance?

3. The NPPG states that “Local planning authorities should assess and plan to meet the needs of main town centre uses in full, in broadly the same way as for their housing and economic needs, adopting a ‘town centre first’ approach and taking account of specific town centre policy. In doing so, local planning authorities need to be mindful of the different rates of development in town centres compared with out of centre” (paragraph 001).

4. The Councils’ Joint Retail Study (2008) and the Cambridge City Update (2013) both calculate retail needs on the basis of convenience and comparison goods needs. The South Cambridgeshire Annual Monitoring Report records the progress with retail permissions, but does not clarify if this is for convenience or comparison goods. It is therefore not possible to tell if the identified needs are being met. This is a fundamental flaw of the monitoring process that means the Council cannot know if they are meeting the requirements of the NPPG.

c. Will the proposed amounts of land for economic development uses meet the needs for all foreseeable types of economic development?

5. The NPPF makes clear that “Policies in Local Plans should follow the approach of the presumption in favour of sustainable development so that it is clear that development which is sustainable can be approved without delay” (paragraph 15).
6. In line with this, the NPPF explains that “Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system” (paragraph 19). It continues, “Investment in business should not be over-burdened by the combined requirements of planning policy expectations” (paragraph 20).
7. However, Policy E/14: Loss of Employment Land to Non Employment Uses requires a 12 month marketing campaign. This adds considerable delay which is entirely in conflict with the NPPF’s, and the emerging Local Plan’s, presumption in favour of sustainable development and timely decision making. Planning should be able to

assess whether a site is necessary for employment without the need for a marketing exercise.

8. Moreover, marketing assessments can be distorted by market conditions and the price a site is marketed at. It is therefore possible to assess the need for a site with reference to objective assessments of supply and demand without the need for a marketing campaign.
9. In addition, if one of the Policy's criteria a, b, or c has been met then it should not be necessary to also meet point 2 which requires viability or other evidence as to why it is not possible to deliver an element of employment development as part of the scheme. This part of the policy should therefore be deleted.
10. The policy therefore fails the tests of Soundness as it is not positively prepared, not effective and not consistent with national policy.
11. Amend policy accordingly (additional text highlighted in bold, deletions struck through):

Policy E/14: Loss of Employment Land to Non Employment Uses:

(a) It is demonstrated that the site is inappropriate for any employment use to continue having regard to **an assessment of demand/supply** ~~market demand~~. Applications will need to be accompanied by documentary evidence that the site is not suitable or capable of being made suitable for continued employment use. ~~Evidence would be required that the property has been adequately marketed for a period of not less than twelve months on terms that reflect the lawful use and condition of the premises.~~

~~2. Redevelopment proposals which propose the loss of all employment uses will need to be accompanied by clear viability or other evidence as to why it is not possible to deliver an element of employment development as part of the scheme.~~

Delete paragraph 8.55.

d. Do the Plans accurately identify the likely requirements for new retail development (convenience and comparison goods over the Plan period)?

12. We are concerned that the Councils' Joint Retail Study (2008) contains some fundamental flaws which have led it to underestimate current and future retail needs. We have addressed this in our Hearing Statement for Matter 1: Overall Spatial Vision and General Issues.

13. Our concerns with the Councils' Joint Retail Study (2008) are as follows:

- Out of date and not in accordance with the Local Plan's timeframe to 2031;
- Mismatch in population information between Retail Study and Local Plans;
- Existing overtrading ignored; and
- Identified needs met?

14. We deal with each of these issues in turn below.

Out of date and not in accordance with the Local Plan's timeframe to 2031

15. The Councils' Joint Retail Study (2008) was produced in October 2008, six years before the Local Plan Examination is taking place. The data that informed the Retail Study is even older. This is a fundamental flaw as key inputs will all have changed. These include expenditure per person (both current expenditure and expected growth rates), special forms of trading, company average turnovers. Importantly, the latest data on population growth and housing, which have been informed by the latest census data, will not have been included despite this data informing the Local Plan's strategies.

16. Retail is a particularly dynamic sector of the economy and has been affected by the global recession and changes in peoples' shopping habits. There has, for example, been significant growth in smaller convenience stores and deep discounters (who themselves have evolved and changed). The retail offer in competing centres, as well as within the survey area itself, will have changed since the Retail Study was published. The answers to the retail survey questionnaire which underpins the Retail Study may therefore have changed significantly. For example, the Joint Retail Study (2008) assumes a 75%/25% split between main and top-up food shopping (paragraph 10.5), whilst the Cambridge City Update (2013) assumes a 70%/30% split between main and top-up food shopping (paragraph 7.7). This demonstrates how important it is that the evidence upon which the Council are basing their decisions on retail matters is also up to date.

17. As Section 2 of the Retail Study explains, it is based on PPS6 and the East of England Regional Plan. Both of these have since been revoked.

18. The Retail Study also pre-dates the NPPF and the new approaches that has introduced towards meeting objectively assessed housing needs, which has had a fundamental impact on the way LPAs calculate their housing target and, as a result, other development needs.

19. The fact that the Retail Study is outdated is demonstrated by the fact that it covers the thirteen year period 2008-2021, which we will be over halfway through by the time the Local Plan is adopted. The Local Plan timeframe, in contrast, extends to 2031, well beyond the timeframe of the Retail Study.

20. The Introduction to the Retail Study clearly warns that “we advise that forecasts beyond a five-year period should be interpreted with caution. We therefore recommend that the assessments be monitored and updated to take account of changes in retail and property market trends, as well as revised spend and population growth projections” (paragraph 1.3). By its own admission, therefore, the Retail Study has been out of date since 2013 and needs to be updated.
21. This warning is repeated in the conclusion to the Retail Study’s assessment of convenience goods: “It is important to note that capacity forecasts become increasingly open to margins of error over time and should be updated over the LDF period” (paragraph 10.30).
22. The final conclusion of the Retail Study is that “The majority of capacity we have identified is arising towards the end of the LDF period and we therefore suggest that the forecasts are updated and reviewed on a regular basis to re-examine the capacity” (paragraph 12.15).
23. The fact that the Retail Study is out of date is witnessed by the fact that Cambridge City Council felt it necessary to commission an update, dated May 2013. The Introduction to the Cambridge City Update explains that “The purpose of this report is to provide a sound and robust evidence base to inform the strategic options and development management policies set out within the City’s emerging Local Plan which will cover the period up to 2031” (paragraph 1.1). This included a new household survey. This suggests that the original Retail Study was not considered Sound.
24. The Joint Retail Topic Paper explains the objectives of the Cambridge City Update (2013e). These are equally applicable to South Cambridgeshire:
 - “Establish the extent to which the current retail and leisure provision in the city satisfies the level and nature of consumer demand within its catchment;
 - “Estimate the scale and nature of changes in this position that may arise in the light of potential increases in population, and forecast changes in retail and leisure expenditure;
 - “Identify the scale and nature of additional retail provision that may be appropriate in the city to the period 2031 and intervening five year periods;
 - “Assess the scope for new retail development and the potential to accommodate this within the city; and
 - “Advise on the appropriateness of the existing hierarchy of centres, shopping frontages and the need for specific development management policies.”

Mismatch in population information between Retail Study and Local Plans

25. The fact that the Retail Study is out of date is demonstrated in the very first assessment table which calculates the catchment area's population. The Retail Study's population calculations are based on the 2001 Census (paragraph 10.9). This information has been superseded by the 2011 census.
26. The Retail Study's population calculations are also based on future housing allocations taken from the East of England Plan. As recent case law has made clear, housing projections based on old regional plans do not meet the NPPF's requirement to meet the full, objectively assessed needs for market and affordable housing (paragraph 47).
27. The Local Plan is instead based on up to date information in the Cambridge Sub Region SHMA 2012 (April 2013) and the supporting 'Population, Housing and Employment Forecasts Technical Report' (April 2013).

Existing overtrading ignored

28. The Retail Study explains that in Cambridge City "The quantitative analysis indicates that the convenience stores in Cambridge are performing well... Nearly all of the national multiples in the district and local centres are performing at above average levels and several of the stores are trading extremely well" (paragraph 12.5). The picture is similar in South Cambridgeshire where "most of the convenience stores in the rural centres are performing well. Similarly all the out of centre convenience superstores are performing at above average levels" (paragraph 12.6).
29. The Retail Study highlights that in Cambridge "The household telephone survey identified the use of four out of centre foodstores in Cambridge city local authority area which collectively turnover over £123m, compared to a company average of £132m [7% overtrading¹]. Waitrose at Trumpington is performing very strongly with a turnover of £43.7m compared to a company average £31m [41% overtrading], this reflects Cambridge's affluent catchment, its high-end offer and the fact that this is the only Waitrose store in the Cambridge urban area. Sainsbury's at Coldham Lane is also performing strongly with a turnover of £39.1m compared to the company average of £29m [35% overtrading]" (paragraph 10.23).
30. The picture is similar for South Cambridgeshire: "There are three out of centre foodstores in South Cambridgeshire, all of which are operated by Tesco. The results of the household telephone survey reveal that the Tesco store at Milton is performing very well with a turnover of approximately £45.7m compared to the

¹ The total overtrading of the stores is depressed because of the Asda at the Beehive Centre undertrading, which the Retail Study suggests is exaggerated: "It is likely that the Household Telephone Interview Survey has under estimated the turnover of the Asda, Beehive Centre."

company average of £29m [58% overtrading]. The other two Tesco stores, at Bar Hill and Yarrow Road are performing at average levels according to the survey results. In reality, the Bar Hill store may be performing better but this has not been identified by the survey as it focuses on main food shopping and may not have picked up less frequent but higher spend shopping trips” (paragraph 10.29).

31. Overtrading of stores raises problems in terms of the acceptability of the shopping environment for customers, items being out of stock, traffic congestion etc. These are likely to be exacerbated in an area where the vast majority of stores over a large area are overtrading.
32. Despite this acknowledged overtrading, and the problems it can cause, it is completely ignored in the Retail Study which instead assumes that existing stores will be trading in equilibrium in the base year (Appendix 5, Tables 18-20). Ignoring the overtrading of existing stores fundamentally distorts the results of the Study. The same approach is taken in the Cambridge City Retail Study Update (Appendix 2, Table 12).
33. Moreover, the final conclusion draws the results for Cambridge City and South Cambridgeshire together (Table 20) which hides the more pronounced overtrading of existing stores in South Cambridgeshire. Stores in South Cambridgeshire are on average overtrading by 11.5% in the base year (base year average trading density of £12,977/m² versus £11,640/m² in subsequent years) (Table 19).

Market share remains constant

34. The opening paragraph of the section in the NPPF dealing with retail matters makes clear that “Planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period” (paragraph 23). This includes trying to “promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres” (paragraph 23).
35. The Retail Study, however, fails to plan positively and instead assumes that settlements will simply maintain their existing market share. Unsustainable settlements, or those lacking in facilities, will therefore remain unsustainable.

Identified needs met?

36. Even ignoring the overtrading that is occurring in the base year, the Retail Study still identifies a need for significant amounts of additional convenience goods floorspace of 4,130m² net in 2011, increasing to 8,359m² net by 2016 and 11,216m² net by 2021. It indicates that “this capacity could however be absorbed by convenience goods development in the pipeline” (paragraph 12.7). However, there is no update

as to whether the development which is intended to absorb this floorspace has been provided.

37. Moreover, additional floorspace provided in Cambourne or Northstowe will meet the needs of those new developments. Similarly, additional floorspace in Cambourne or at the Station Fringe Area will not meet needs in areas elsewhere created by existing deficiencies and future growth in expenditure.

Conclusion

38. The Local Plan therefore fails the tests of Soundness as it is not based on an up to date evidence base.
39. Paragraph 8.73 of the Local Plan should be amended as follows to reflect the need to update the Retail Study (additional text highlighted in bold):

“In order to explore future needs for retail development, Cambridge City Council and South Cambridgeshire District Council commissioned the Cambridge Sub-Regional Retail Study 2008. This showed that retail in Cambridge was performing well and provided an assessment of the need for new floorspace for both comparison goods (items not generally purchased on a frequent basis e.g. clothing, shoes, electrical goods, furniture, books.) and convenience goods (everyday and essential items e.g. food and drink) to 2021. It identified that additional needs were generally related to serving the planned major developments such as Northstowe. **The Retail Study is now out of date and so can be given limited weight in decision taking. It will be revised and updated.**”