

POSITION STATEMENT ON RETAIL PROVISIONS

1. The Co-operative Group Ltd submitted a representation on the Core Strategy (CS) in response to publication of the Draft National Planning Policy Framework (NPPF) which, inter alia, includes policies to promote the vitality and viability of town centres (paragraphs 76 to 80). The representation was also prompted by North Somerset Council's decision to commission the North Somerset Retail Study 2011 Update¹, which was published in the week ending 21 October 2011.
2. As expected, the Retail Study Update by GVA Grimley (RS 2011) provides new evidence and advice which calls into question the soundness of the Core Strategy. CS paragraph 4.82 envisages an additional 11,126 sq m of retail floorspace in Portishead between 2006 and 2026, whereas the RS 2011 now recommends an addition of 1,626 sq m net floorspace for convenience goods and 1,826 sq m net of floorspace for comparison goods from 2011 to 2026.
3. North Somerset Council's Consequential Change PS16 translates the RS 2011 figures into a total addition of retail floorspace (convenience and comparison goods) of 14,096 sq m from 2006 to 2026, after allowing for developments built since 2006 and current planning commitments.² No breakdown is provided of completions and commitments and it is not clear if these are net or gross floor areas. It would be helpful if the Council could provide this information for the examination hearing.
4. Paragraph 3.268 of the Core Strategy explains that the approach to retailing was based on the North Somerset Retail Study 2010 (RS 2010) which assessed the need and demand for additional retail and leisure facilities throughout North Somerset to 2026.³ It is important to know that the RS 2010 included as a planning commitment a proposed food

¹ ED/13

² ED/13a

³ SD/29

superstore in an out-of-centre location at Serbert Road, Portishead, on the basis of a resolution to approve by the Council's Northern Area Committee. The subsequent planning permission was quashed and this proposal by Sainsbury is therefore no longer a planning commitment.

5. The RS 2011 has re-assessed the need for additional retail floorspace generally and in Portishead in particular; including Lidl as a commitment but not Sainsbury's out-of-centre proposal at Serbert Road. It has identified scope for 1,157 sq m net of additional convenience goods floorspace by 2016, rising to 1,280 sq m net by 2021 and to 1,616 sq m net by 2026.⁴ GVA Grimley notes that *'this scale of floorspace is not significantly larger than the existing Co-op...'* It is, however, significantly less than Sainsbury's out-of-centre proposal for 2,230 sq m net convenience goods floorspace at Serbert Road.
6. This hearing into the Core Strategy is not considering site-specific issues, but the relevance of this change in the Core Strategy's evidence base is to show that there is scope to consider new retail floorspace to regenerate Portishead town centre on the basis of the additional floorspace recommended by the RS 2011, whereas the Core Strategy – which accepted Sainsbury's out-of-centre proposal as a commitment – concluded that there was no strategic requirement for additional retail floorspace in Portishead.
7. When Sainsbury's out-of-centre proposal at Serbert Road is set aside, there are clearly opportunities for regeneration in Portishead town centre including, for example, the outdated precinct. Policy EC5.1 of PPS 4 calls on local planning authorities to identify an appropriate range of sites in their development plans to accommodate identified need; ensuring that the scale of the sites identified is in keeping with the role and function of the centre within the wider hierarchy of centres and the catchment area served.

⁴ ED/13, paragraph 6.52

8. North Somerset has not adopted this approach in its Core Strategy in relation to Portishead, and did not even instruct GVA Grimley to investigate opportunities for town centre retail development or regeneration in Portishead town centre as part of the 2011 Retail Study Update.
9. The Council's Consequential Changes PS13 and PS14 include references to additional retail floorspace requirements in Portishead.⁵ The reason given for these changes is *'to reflect the additional strategic retail requirement for Portishead which has been identified in the revised Retail Study 2011.'*
10. This 'additional' strategic retail requirement in Portishead is mainly the result of removing the out-of-centre Sainsbury proposal at Serbert Road from the stock of committed retail floorspace and partly the result of assuming significantly higher market penetration for convenience goods outlets in Portishead and a higher inflow assumption, with a partial offset from the addition of Lidl as a commitment.
11. Comparison of Table 15c from the RS 2010 with Tables 15c 1 and 15c 2 from the RS 2011 shows that Portishead's total turnover potential in convenience goods is not significantly higher in RS 2011 than it was in RS 2010 – with the forecast market share in Zone 2 increased to 80% from the current level of 70% and inflow from outside the Study Area increased by £3.8m p.a. RS 2010 used forecast years of 2010 and 2015 and RS 2011 used 2011 and 2016, but the results can still usefully be compared.

⁵ ED13/a

Table 1: Comparison of Total Turnover Potential of Portishead in Convenience Goods from 2010 and 2011 Retail Studies (£m)

	2010/11	2015/16	2021	2026
2010 Retail Study	39.7	58.4	61.1	63.5
2011 Retail Study (70% of Zone 2)	42.6	46.6	48.5	50.1
2011 Retail Study (80% of Zone 2)	42.6	57.9	61.3	64.8

Sources: North Somerset Retail Studies 2010 (Table 15c) and 2011 (Tables 15c 1 and 15c 2: 2010 and 2015 in RS 2010; 2011 and 2016 in RS 2011.)

12. Table 1 shows that Portishead's forecast 'turnover potential' in convenience goods is actually lower in RS 2011 than in RS 2010, as a result of lower forecasts of expenditure growth, unless the market share of the town's convenience goods outlets is assumed to increase from 70% to 80% and inflow to increase by £1.3m p.a. in 2016 and £1.5m p.a. in 2026.

13. Although it was not described explicitly in RS 2010, it is evident that the forecast market shares of Portishead were increased in RS 2010 to accommodate the proposed out-of-centre Sainsbury's store on the assumption that it was a commitment and would increase market penetration sufficiently to justify its development – in combination with significant trade diversion from the town centre.

14. Table 2 shows the reduction in 'benchmark turnover of existing and committed facilities between RS 2010 and RS 2011 from £66.6m to £47.1m in 2021, after the deduction of Sainsbury's out-of-centre proposal at Serbert Road and the addition of Lidl.

Table 2: Comparison of the Benchmark Turnovers of Existing and Committed Convenience Goods Retail Floorspace in Portishead from 2010 and 2011 Retail Studies (£m)

	2010/11	2015/16	2021	2026
2010 Retail Study	65.1	65.5	66.6	67.7
2011 Retail Study	43.4	46.2	47.1	47.8

Sources: North Somerset Retail Studies 2010 (Table 15c) and 2011 (Tables 15c 1 and 15c 2: 2010 and 2015 in RS 2010; 2011 and 2016 in RS 2011.)

Table 3: Comparison of 'Residual Expenditure' on Convenience Goods in Portishead from 2010 and 2011 Retail Studies (£m)

	2010/11	2015/16	2021	2026
2010 Retail Study	-25.5	-7.1	-5.5	-4.2
2011 Retail Study (70% of Zone 2)	-0.8	0.4	1.5	2.3
2011 Retail Study (80% of Zone 2)	-0.8	11.6	14.2	17.0

15. The difference in 'residual expenditure' between the two studies shown in Table 3 is due to a number of factors. Projected population growth is slightly less, but forecast growth in per capita spending on convenience goods is more, resulting in slightly higher figures for 'total available expenditure': the difference between the two studies in 2021 is £2.3m in Zone 2 (from £54.6m to £56.9m) and £29.4m in the overall Study Area (from £526.4m to £555.8m).

16. However, the main reasons for more 'available expenditure' in RS 2011 are the assumed increase in market shares and the reduction in 'committed' floorspace' by the exclusion of Sainsbury's out-of-centre proposal at Serbert Road.

CONCLUSIONS

17. The evidence base of RS 2010 on which the Core Strategy's approach to retailing in Portishead was founded is now superseded by RS 2011. The policy approach therefore requires revision.

18. Implications of RS 2011 are:

- a. that there is a strategic need for additional retail floorspace in Portishead for convenience goods retailing; and
- b. that an out-of-centre superstore, as proposed by Sainsbury at Serbert Road, is not an appropriate solution, as it is proposing excessive floorspace and is not within or on the edge of the town centre.

19. The Council's Consequent Changes to the Core Strategy as a result of RS 2011 are not an adequate response to the Study's findings. There is a clear need for a town centre study to apply to Portishead the plan-making policies of PPS 4, Policies EC1 to EC 5 and paragraph 76 of the draft National Planning Policy Framework, including a comprehensive appraisal of development and regeneration opportunities for town centre uses in the town centre.

20. It is unfortunate that GVA Grimley was not instructed to consider strategic opportunities for retail development in Portishead town centre in RS 2011 as they did for Weston-super-Mare. The Core Strategy should now include a positive policy commitment in Policies CS21 and CS31 to consider development and regeneration opportunities in Portishead town centre to accommodate the strategic requirement for additional retail floorspace.

21. The changes that the Co-operative Group would like to see would be therefore:

- To amend paragraph 3.268, after the Council's Consequential Change PS13, to insert the following sentence: 'In Portishead, a

town centre study (which may be related to a Site Allocations Document) will be undertaken to identify opportunities to accommodate the strategic floorspace requirement and regenerate the town centre.'

- To amend Policy CS21 to insert an additional sentence at the end of the first paragraph: 'In Portishead, a town centre study (which may be related to a Site Allocations Document) will be undertaken to identify opportunities to accommodate the strategic floorspace requirement and regenerate the town centre.'
- To amend Policy CS31 to insert at the end of the fifth paragraph (after 'Proposals for the regeneration of existing centres...will be encouraged'): 'In Portishead, a town centre study (which may be related to a Site Allocations Document) will be undertaken to identify opportunities to accommodate the strategic floorspace requirement and regenerate the town centre.'