



Appendix 9 - Uttlesford Retail Study Addendum Note

Uttlesford Retail Study Addendum Note

Impacts of Garden Communities

Prepared by Savills on behalf of Uttlesford District
Council

Introduction

This Addendum Note is produced in support of the Retail Study update provided by Savills in May 2018. It provides an assessment of the retail floorspace arising in the proposed Garden Communities based on:

1. A capacity based approach arising during the plan period to 2033 and beyond to 2036; and,
2. A needs based approach arising as a result of the population in the households of the completed development associated with the Garden Communities at 2051

The difference between a capacity and a needs based assessments are that a capacity assessment is based on the known population for the District; the latest published growth rates for convenience and expenditure, and Special Forms of Trading through to 2030 (provided by Pitney Bowes), whereas a needs based assessment is underpinned by the same variables, but assumed at a constant beyond 2030, through to 2051.

The projections for post 2033 are for illustrative purposes to inform planning for the Garden Communities. The further in the future the study projects the greater the uncertainty there is, therefore the level of uncertainty for the figures after 2033 is such that they should not be used for planning purposes without further work being undertaken to verify their validity.

Housing

The emerging Regulation 19 (Pre-Submission) Local Plan has increased the Council's housing requirement across the plan period in line with the Council's most recent population projections and provides for 14,712 dwellings, or 668 dwellings per year will be required. The draft Policy SP3 identifies that 8,249 dwellings of the overall plan period requirement have already been built, are committed (i.e. have been granted planning permission) or will come forward as small unidentified windfall sites. The remaining residual housing provision of 6,463 dwellings will be delivered at towns and villages identified within the settlement hierarchy, and the Council has identified that the proposed Garden Communities will provide the following:

- Easton Park Garden Community – 1,925 residential units

- North Uttlesford Garden Community – 1,925 residential units
- West of Braintree - 970 residential units

We have assessed the emerging retail floorspace capacity in the context of the total Plan Period housing provision (14,712) and the Council's proposed Garden Communities which will deliver approximately 4,820 dwellings across the Plan Period.

Methodology

Retail expenditure per head in addition to the known population at 2033

The emerging Regulation 19 Local Plan proposes a housing provision for the plan period to 2033 of 14,712 as set out in draft Policy SP3. The proposed housing requirement is based on the Office for National Statistics (ONS) household projections for 2014 (as published in 2016) for Uttlesford District Council (UDC) which equates to a total housing requirement of 11,427. Through the Strategic Housing Market Assessment (SMHA), Uttlesford District Council has identified that a further 2,673 dwellings are required to ensure that it can demonstrate a five year supply, taking the District's overall housing requirement to 14,100 dwellings. In addition to this target, UDC has added a buffer of 612 dwellings to their housing requirement or just over 4% of the total housing requirement identified by the Council's SHMA. This therefore allows for the provision of a further 3,285 in addition to the ONS housing projections for the district which therefore assumes an inflow of this amount of households to the District by 2033.

We understand that the Council's has assumed that the 22.35% inflow is evenly distributed throughout the District, resulting in any associated retail expenditure capacity being equally applied to existing settlements and the proposed new Garden Communities.

The Uttlesford Retail Study provides retail capacity figures that are consistent with ONS household projections for 2014 (published in 2016). Therefore, in order to establish the expenditure capacity generated by this inflow, Savills will multiply the average expenditure per head by the population arising as a result of the inflow of households to the District by 2033. ONS figures predict that household sizes within UDC will be 2.320 persons at 2033. The total additional population generated by the inflow of households therefore accounts for a further 7,621 people.

The baseline population figures for the District are predicated on ONS population figures from 2014 (applied by Pitney Bowes) and have been presented in zones with the Retail Study Update. This accords with the original data commissioned for the 2016 Retail Study and the studies undertaken by Savills prior to that. The zones are based on post code sectors which do not have exactly the same boundary as the UDC, however Zones 1A, 2A and 3 are closely aligned to the UDC boundary and can be taken as a close approximation of the average expenditure for the District's population.

The convenience expenditure per person at 2033 is £2,286 in Zone 1A, £2,223 in Zone 2A and £2,192 in Zone 3. The average convenience expenditure per person within the District at 2033 amounts to £2,234 and when applied to the additional population generated by the inflow of households predicated by UDC (7,621 people), this equates to additional convenience expenditure within the District of just over £17m per annum in 2033.

The comparison expenditure per person at 2033 is £4,587 in Zone 1A, £4,422 in Zone 2A and £4,360 in Zone 3. The average comparison expenditure per person within in the District at 2033 amounts to £4,457 and when applied to the additional population generated by the inflow of households predicated by UDC (7,621 people), this equates to additional comparison expenditure within the District of just over £33.5m per annum in 2033.

This additional convenience and comparison expenditure will then be added to the total expenditure for the District and distributed in accordance with the allocation of the housing numbers. On the basis of the current allocation in the Garden Communities of 4,820, this equates to 32.76% of overall housing provision (14,712) and will be allocated accordingly.

1. Retail floorspace need at the Garden Communities at 2033 & 2036 (Capacity Based Assessment)

In the context of the floorspace need arising over the Plan Period identified in the Retail Study update, this Note sets out the likely relocated floorspace capacity from the Town Centres (Saffron Walden and Great Dunmow) identified in draft Policy RET1 to the three proposed Garden Communities (Easton Park, North Uttlesford and West of Braintree) identified in draft Policy SP3 of the emerging Regulation 19 (Pre-Submission) Local Plan being considered by Uttlesford District Council (herein referred to as “the Council”) in its emerging new Local Plan. The redistribution of the retail floorspace capacity from the Town Centres to the Garden Communities is assessed on the basis of the need arising at the end of the Plan Period at 2033 and projecting three years beyond the Plan Period through to 2036.

We have assessed the emerging retail floorspace capacity in the context of the total Plan Period housing provision (14,700) and the Council’s proposed Spatial Strategy contained in Policy SP2 and SP3 of the Emerging Regulation 19 Local Plan which includes new local centres to support three new Garden Communities. The housing requirement leaves a residential housing provision of 6,463 dwelling. The Emerging Local Plan proposes 4,820 of these homes are proposed to be delivered in the Garden Communities.

Given that the distribution of the 8,249 committed homes set out in draft Policy SP3 is broadly in proportion to the existing settlements we have not altered the spatial distribution of new retail floorspace need to reflect the location of these dwellings. We have therefore assessed the distribution of a proportionate amount of the emerging retail floorspace in line with the proposed new Garden Communities. The “reallocated” housing provision (4,820 dwellings) equates to 32.79% of the total housing provision (14,712) for the Plan Period. We have therefore applied the same proportionate reallocation to the overall comparison and convenience floorspace requirement for the Plan Period to 2033 and projected this reallocation through to 2036 but have reallocated it pro-rata from Saffron Walden and Great Dunmow to the planned Garden Communities.

Total retail floorspace capacity arising in 2033

	Total capacity to 2033 (sq m) based on 14,100 dwellings	Reallocated capacity to 2033 (sq m) based on 4,820 dwellings
Convenience	5,189	1,774
Comparison (in and out of town centre)	5,663*	1,857

Total retail floorspace capacity arising in 2036

	Total capacity to 2036 (sq m) based on 14,100 dwellings	Reallocated capacity to 2036 (sq m) based on 4,820 dwellings
Convenience	5,536	1,892
Comparison (in and out of town centre)	6,473*	2,123

**Saffron Walden and Great Dunmow*

Note that these floorspace capacity figures assume a “big 5”¹ supermarket operator turnover level (£11,298 per sq m in 2017) and if that floorspace were delivered by smaller operators with lower £ per sq m turnover levels the floorspace requirement would therefore increase.

The convenience floorspace capacity for Uttlesford at 2033 is 5,189 sq m and rises in 2036 to 5,536 sq m. The total reallocated capacity for convenience floorspace to 2033 is therefore 1,774 sq m at 2033 and it rises to 1,892 sq m in 2036.

The in town centre and out of centre comparison floorspace requirement would be 5,663 sq m at 2033 and 6,473 sq m at 2036 (taking into account non-food turnover in foodstores). The total reallocated capacity for comparison floorspace to 2033 is therefore 1,857 sq m and at 2036 is at 2,123 sq m.

¹ Asda, Morrisons, Sainsbury's, Tesco and Waitrose

There is no out-of-centre comparison retail floorspace requirement arising over the Plan Period on the basis that a significant proportion of the 2,973 sq m of committed comparison floorspace at Granite Retail Park, Saffron Walden has yet to be constructed.

The Garden Communities assume that the additional 4,820 dwellings would be met through the delivery of new settlements at Easton Park (1,925 dwellings), North Uttlesford (1,925 dwellings), and West of Braintree (970 dwellings). Having regard to the spatial position of the new Garden Communities in relation to Saffron Walden and Great Dunmow, it is likely that these new settlements would result in the need to redistribute the capacity for retail floorspace away from the towns to the Garden Communities. We therefore set out a scenario for this distribution at 2033 and 2036 below which results in the following redistribution of retail floorspace need to the Garden Communities. The redistribution of retail capacity is presented as a percentage of the reallocated capacity.

Redistribution of retail floorspace capacity from Saffron Walden and Great Dunmow to the Garden Communities at 2033

New Settlement	No. dwellings	Redistribution of retail capacity from Saffron Walden (% of new dwellings)	Redistribution of retail capacity from Great Dunmow (% of new dwellings)	Redistribution of retail capacity from Saffron Walden based on the reduced capacity		Redistribution of retail capacity from Great Dunmow based on the reduced capacity	
				Convenience floorspace sq m	Comparison floorspace sq m (in centre and out of centre combined)	Convenience floorspace sq m	Comparison floorspace sq m (in centre and out of centre combined)
Easton Park Garden Community	1,925	20	80	142	148	567	593
North Uttlesford Garden Community	1,925	75	25	531	556	177	185



West of Braintree Garden Community	970	90	10	321	336	36	37
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The total convenience and comparison floorspace capacity for the three Garden Communities in 2033 is set out below.

New Settlement	No. dwellings	Total redistribution of convenience floorspace capacity from the District (sq m)	Total redistribution of comparison of in and out of town floorspace capacity from the District (sq m)
Easton Park Community Garden	1,925	708	741
North Uttlesford Community Garden	1,925	708	741
West of Braintree Community Garden	970	357	374

Redistribution of retail floorspace capacity from Saffron Walden and Great Dunmow to the Garden Communities at 2036

New Settlement	No. dwellings	Redistribution of retail capacity from Saffron Walden (% of new dwellings)	Redistribution of retail capacity from Great Dunmow (% of new dwellings)	Redistribution of retail capacity from Saffron Walden based on the reduced capacity		Redistribution of retail capacity from Great Dunmow based on the reduced capacity	
				Convenience floorspace sq m	Comparison floorspace sq m (in centre and out of	Convenience floorspace sq m	Comparison floorspace sq m (in centre and out of centre

					centre combined)		combined)
Easton Park Garden Community	1,925	20	80	151	170	605	678
North Uttlesford Garden Community	1,925	75	25	567	636	189	212
West of Braintree Garden Community	970	90	10	343	384	38	43

The total convenience and comparison floorspace capacity for the three Garden Communities in 2036 is set out below.

New Settlement	No. dwellings	Total redistribution of convenience floorspace capacity from the District (sq m)	Total redistribution of comparison of in and out of town floorspace capacity from the District (sq m)
Easton Park Community Garden	1,925	756	848
North Uttlesford Community Garden	1,925	756	848
West of Braintree Community Garden	970	381	427

The reallocated floorspace capacity for the development scenario is calculated as arising at the end of the Plan Period in 2033 and where we have calculated beyond the Plan Period at 2036. The retail floorspace capacity is also predicated on the expenditure being available from the population in the Garden Communities and does not therefore create impact issues providing that the capacity diverted does not exceed that in the relevant town. The retail floorspace capacity associated with the Garden Communities would therefore need to follow the housing development i.e. be towards the end of its delivery. Should new retail floorspace come forward in advance of the identified capacity over the Plan Period, it could give rise to potential retail impact issues within the District and possibly elsewhere.

The Garden Communities would not cause effect to the forecast floorspace capacity arising in Saffron Walden and Great Dunmow in 2033 referred to in the Retail Study, and beyond the Plan Period to 2036, but it would reduce the amount of convenience and comparison floorspace directed to both towns over the Plan Period.

Sustainability of Retail floorspace capacity at the Garden Communities in 2033 and 2036

It is inherently sustainable for the new settlements to provide proportionate local facilities that reduce the need to travel. In respect of the Garden Communities proposed in draft Policy SP3 of the emerging Regulation 19 (Pre-Submission) Local Plan and based on the theoretical retail floorspace capacity figures above, we advise:

Easton Park Garden Community – 1,925 units – It is Savills' view that the provision of retail floorspace for a small top-up foodstore may be commercially viable towards the end of the Plan Period where convenience capacity is forecast to be 708 sq m net at 2033. The overall plan period requirement for convenience floorspace increases, albeit marginally, to 756 sq m in 2036 (approximately 6.8% increase). Even with this increase, it is Savills view that the provision of retail floorspace will still only amount to a need for a small top-up foodstore. A top-up foodstore is likely to be viable and sustainable due to expenditure arising from the population generated by new housing. There would also be theoretical capacity for comparison floorspace (741sq m net at 2033 rising to 848 sq m net at 2036) but it may not be commercially viable due to the need for critical mass for comparison retail to function.

North Uttlesford Garden Community – 1,925 units – As with the Easton Park Garden Community, it is Savills' view that the provision of retail floorspace for a small top-up foodstore may be commercially viable towards the end of the Plan Period where convenience capacity is forecast to be 708 sq m net at 2033. The overall plan period requirement for convenience floorspace increases, albeit marginally, to 756 sq m in 2036 (approximately 6.8% increase). Even with this increase, it is Savills view that the provision of retail floorspace will still only amount to a need for a small top-up foodstore. A top-up foodstore is likely to be viable and sustainable due to expenditure arising from the population generated by new housing. There would also be theoretical capacity for comparison floorspace (741 sq m net at 2033 rising to 848 sq m net at 2036) but as with the Easton Park Garden Community it may not be commercially viable due to the need for critical mass for comparison retail to function.

West of Braintree Garden Community – 970 units – It is Savills' view that there is limited convenience (357 sq m net at 2033 and 381 sq m net at 2036) and comparison (374 sq m net at 2033 and 427 sq m net at 2036) floorspace need arising in this new community at the end of the Plan Period, and beyond to 2036. Given that these are relatively in close proximity of existing settlements which have in town centre retail provision, it is unlikely that new retail floorspace would be commercially viable.

2. Retail floorspace need at the Garden Communities at 2051 (Needs Based Assessment)

We have also assessed the retail floorspace need for the Garden Communities once they have been completed. The emerging Regulation 19 (Pre-Submission) Local Plan proposes that the three Garden Communities will comprise the following number of dwellings once complete:

- Easton Park Garden Community – 10,000
- North Uttlesford Garden Community – 5,000
- West of Braintree Garden Community – 3,500

We have assumed that the Garden Communities would be completed by 2051, with 4,820 of the 18,500 dwellings being provided in line with the Council's housing trajectory in the plan period to 2033. Beyond the plan period we have assumed an even rate of housing delivery in the Garden Communities to 2051 (i.e. 760 dwellings per annum).

Methodology

Population

The Council's SHMA includes the latest CLG 2014-based household projections and confirms that the average persons per household will be 2.32 persons at 2033.

This has then been used to calculate the number of persons expected to be generated by the development of the 18,500 dwellings in the Garden Communities. This amounts to 42,920 permanent residents within the completed development.

Price Basis and Forecasting Dates

This assessment is based on population data, up-to-date expenditure data from Pitney Bowes, convenience and comparison growth rates from Retail Expenditure Guide 2017/18 (Pitney Bowes) (REG 2017/18) and sales density figures. Accordingly, all monetary figures are expressed in 2016 prices.

As above, the development beyond 2033 will be constructed in phases over a circa 18 year period with, on average, 760 dwellings delivered per year. Accordingly, periods of 5 years have been identified and assessed in

order to establish when there are interim requirements as the Garden Communities are delivered. In order for the assessment to be robust, we have assumed at base year of 2016 and a design year for the development of 2051.

Expenditure

Up to date expenditure per capita data from Pitney Bowes has been commissioned for Uttlesford District Council (as set out in the Retail Study update 2018) which, for the reasons explained above, is considered to be reasonable comparator for assessing the potential expenditure of the residents at the Garden Communities. Growth rates from the REG 2017/18 have also been applied to the expenditure baseline data.

The expenditure per capita data has been projected over a circa 18 year period 2051 using the growth rates from REG 2017/18.

The assessment takes account of Special Forms of Trading (SFT), which includes internet sales, by deducting these at the rate set out in the REG 2017/2018.

Growth and SFT rates beyond 2030 are not available from Pitney Bowes and have therefore been assumed to remain at the 2030 level through to 2051. For this and other reasons the projections beyond 2033 should be treated with caution and as a broad guide only.

We estimate that the total expenditure pot arising from the residents of the Garden Communities is £111.16mil per annum (pa) for convenience goods and £228.30mil pa for comparison goods by 2051. The table below demonstrates the total available expenditure based on an pro rata spread, proportionate to the number of dwellings being delivered in each Garden Communities.

Garden Community	Number of dwellings to be delivered when completed	Proportionate split of total convenience expenditure (£mil)	Proportionate split of total comparison expenditure (£mil)
Easton Park	10,000 (54% of total dwellings)	£60.03	£123.28
North Uttlesford	5,000 (27% of total)	£30.01	£61.64

	dwelling(s)		
West of Braintree	3,500 (19% of total dwelling(s))	£21.12	£43.4

Not all of this expenditure will be retained from the resident population. The level of retention will depend on the type and location of units and the occupier(s). Below, we have considered several scenarios which we consider to be a robust approach.

Retail Turnover Levels

The below assumptions are based on a typical average turnover level of £11,298 per sq m (in 2017) for a generic convenience (large food store) operator and £5,000 per sq m (in 2017) for a generic comparison store. These generic figures are based on typical turnover levels for the biggest operators in the market. For comparison, the 'Big 5' food stores turnover in 2017 (at 2016 prices) is as follows:

Sainsbury's:	£10,727 per sq m (net)
Tesco:	£11,836 per sq m (net)
Asda:	£10,847 per sq m (net)
Morrisons:	£12,436 per sq m (net)
Waitrose:	£10,923 per sq m (net)

The above figures are convenience and comparison combined turnovers for the relevant operators and the convenience element will be higher, on average, than the comparison. This is partly illustrated by the fact Waitrose and Morrisons have limited comparison offers and their turnover levels per sq m are relatively high.

The typical comparison turnover figure allows for a wide variety of potential comparison operators. In practice, turnover in the sector varies considerably, for example:

Next:	£5,685 per sq m (net)
Robert Dyas:	£3,588 per sq m (net)
Argos:	£16,822 per sq m (net)
Dixons Carphone (Currys PC World):	£9,872 per sq m (net)

Halfords: £2,523 per sq m (net)

Mothercare: £3,709 per sq m (net)

Forecast Retail Capacity Assessment

On the assumption that 100% of expenditure from the resident population is retained within the scheme, this would create a need for approximately 8,556 sq m net of convenience (12,223 sq m gross) and 36,362 sq m net of comparison (45,452 sq m gross) by 2051. The table below demonstrates the total net convenience and comparison floorspace capacity based on an even spread, proportionate to the number of dwellings being delivered in each Garden Communities.

Given the nature of the Garden Communities and the level of provision, it is more realistic to assume retention of 70% of convenience expenditure within the development but comparison would be much less, at around only 20%, depending on the nature of the provision. In 2051 this equates to a total of 5,989 sq m net convenience floorspace and 7,272 sq m net comparison floorspace. On this basis, the overall floorspace provision for the Garden Communities by 2051 is predicted to be as follows:

Garden Community	Number of dwellings to be delivered when completed	Proportionate split of total convenience floorspace based on a 70% retention rate at 2051 (net sq m)	Proportionate split of total comparison floorspace based on a 20% retention rate at 2051 (net sq m)
Easton Park	10,000 (54% of total dwellings)	3,234	3,927
North Uttlesford	5,000 (27% of total dwellings)	1,617	1,963
West of Braintree	3,500 (19% of total dwellings)	1,138	1,381

Based on average household size derived from the Council's SHMA, expenditure data per head from Pitney Bowes and the average turnover level of the 'Big 5' supermarket operators, we calculate that the development at the

Garden Communities are likely to require local retail floorspace provision of around 3,234 sq m net (Easton Park), 1,617 sq m net (North Uttlesford), and 1,138 sq m net (West of Braintree) convenience floorspace (assuming 70% expenditure retention) and 3,927 sq m net (Easton Park), 1,963 sq m net (North Uttlesford), and 1,381 sq m net (West of Braintree) comparison floorspace (assuming 20% expenditure retention).

The convenience floorspace in Easton Park at 2051 is equivalent to the provision of a large food store or a number of smaller convenience stores. The convenience floorspace in North Uttlesford and West of Braintree is equivalent to a small to medium food store or a small range of convenience stores. Whilst there is theoretical capacity for comparison floorspace arising in all of the Garden Communities, it may only be possible for Easton Park to provide commercially viable comparison floorspace. The comparison floorspace requirement at North Uttlesford and West of Braintree may not be commercially viable without a critical mass that is required for this type of retail to function i.e. a food store of reasonable scale anchoring a district centre. Bearing in mind the nature of the Garden Communities, any comparison floorspace delivered would most likely be within the foodstore provision or, perhaps, delivered in the form of small independent retailers towards the end of the delivery period for all these settlements.

An alternative scenario is that convenience retailers with lower turnover levels occupy the floorspace. This would alter the level of floorspace needed from the same amount of expenditure.