KNOWSLEY LOCAL PLAN: CORE STRATEGY

KNOWSLEY METROPOLITAN BOROUGH COUNCIL

SUPPLEMENTARY STATEMENT - MATTER 6

Matter 6 RETAIL AND TOWN CENTRE REGENERATION

1.1. The Council has prepared this supplementary statement in response to the additional retail information and survey data prepared by Alyn Nicholls & Associates on behalf of the Brookhouse Group.

1.2. The statement to Matter 6 submitted by Alyn Nicholls & Associates on behalf of the Brookhouse Group draws on the new information in the survey data and seeks changes to the KLPCS which are in addition to those sought in the original representations submitted by Savills on behalf of the Brookhouse Group. Whilst the Council has no objections to this new information being considered at the hearing session for Matter 6, it has requested that a specialist retail consultancy (the Holliss Vincent Partnership) reviews the information on its behalf.

1.3. The advice from the Holliss Vincent Partnership is included in full as Appendix 1. These comments provide the Council's primary response to the additional information.

1.4. In addition, the Council can confirm that it accepts the advice offered in terms of the deletion of policy CS14 clause 2 a) and d), on the grounds that the sequential and impact tests set out in Paragraphs 23 to 27 of the NPPF provide for sufficient safeguards in relation to restructuring proposals in an edge of centre location. The Council would therefore be willing to consider the following modifications:

Potential Main Modification*

Amend policy CS14 clause 2 as follows:

2. Restructuring of retail provision within Cables Retail Park will be supported where this would:
~~a. Provide for convenience or bulky goods retailing;~~
a. ~~b.~~ Improve design quality and layout; *and*
b.~~c.~~ Improve linkages to Eccleston Street; ~~and~~
~~d. Maintain the current retail floorspace capacity of the Retail Park, inclusive of extant planning permissions.~~

Potential Additional Modification*

Amend Paragraph 6.58 as follows:

The Council considers Cables Retail Park to have ~~reached its retail capacity, although there could be~~ scope for appropriate remodelling and renewal of units within the retail park. This could enable units to be provided of a different scale and format than those capable of being provided in the town centre itself. Any future expansion of the retail park is constrained by the barriers provided by the A57, Steley Way and Sewell Street highway network. Therefore, the priority for any future development should be restructuring of retail floorspace with~~in the existing layout and~~ improvements to *layout and* design quality.

1.5. The Council has also reconsidered the issue of impact assessment as addressed at Paragraph 5.64 of the KLPCS, and concluded that the current wording does not provide adequate flexibility to allow a locally set threshold to be introduced in the Local Plan: Site Allocations and Development Policies (if required). The Council would therefore be willing to consider the following modification:

Potential Additional Modification*

Amend Paragraph 5.64 as follows:

5.64 "Edge of centre" and / or "out of centre" retail developments are not considered to positively contribute to the viability and vitality of Knowsley's town centres and district centres or provide sustainable retail provision relative to local needs. These types of development will not be considered appropriate to provide or disaggregate the delivery of suggested ranges of retail floorspace during the plan period, unless acceptable justification is provided relative to the absence of suitability or availability of sequentially preferable sites in accordance with the approach to town centre uses set out in Policy CS 4 'Economy and Employment'. In these circumstances, preference will be given to sites which are well connected to town centres, and where sufficient flexibility has been demonstrated in terms of format and scale. An impact assessment will also be required if the development exceeds 2,500 sq.m. (*or any locally set threshold defined in the Local Plan: Site Allocations and Development Policies document).* ~~which will~~ *Impact assessments will be expected to* assess for example the effects of the scheme on the viability or vitality of any established town, district or local centres.

***** Note regarding modifications***

The suggested potential modifications to the KLPCS set out in this statement are put forward to assist the consideration of this matter at the hearing sessions. These and any other potential modifications would need to be approved by the Council's Cabinet and undergo formal public consultation *before being considered for inclusion in any version of the KLPCS which is finally adopted.*

Appendix 1: Holliss Vincent Partnership Memorandum (6th November 2013)

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Memorandum

To:	Jonathan Clarke, Policy Manager, Knowsley Council	**Date:**	6th November 2013
From:	Mike Holliss	**Subject:**	Knowsley Local Plan Examination – Matter 6

Introduction

1. In October 2013, Knowsley Council instructed hollissvincent to undertake an appraisal of the potential implications of the new surveys commissioned by Alyn Nicholls & Associates on behalf of the Brookhouse Group. We were also asked to advise in relation to Matter 6.5, and particularly the second of the Inspector's questions, which is *'Would a further town centre extension to include Cables Retail Park bring significant retail benefits?'*

The New Survey Material

2. In October 2013, Alyn Nicholls & Associates commissioned NEMS Market Research to undertake a telephone survey of households resident within the survey area shown in Appendix 2 of its representation of 21st October 2013. At the same time, NEMS was instructed to undertake two pedestrian surveys, one of visitors to Prescot Town Centre, and the other of visitors to the Cables Retail Park. The design and content of all three surveys are almost identical to earlier surveys carried out for Alyn Nicholls in 2008, and in 2000, prior to the opening, late in 2000, of the Tesco store at Cables Retail Park. Thus, the consistent methodology employed by Alyn Nicholls enables an assessment of change over time.

3. Alyn Nicholls & Associates has kindly provided us with Excel spreadsheets of its survey material, and its methodology for producing composite patterns of spending in the convenience and comparison goods sectors, through the application of weights to the various forms of shopping identified in the telephone survey. Having verified the spreadsheets, we can confirm that Tables 1 to 7, shown in Appendix 3 of Alyn Nicholls & Associates' Statement of 21st October 2013, represent an accurate and reasonable presentation of its survey findings.

4. However, we should stress that the findings of Alyn Nicholls' telephone survey are not directly comparable to the findings of the telephone survey commissioned by Roger Tym & Partners (RTP) in

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2008, as an input into the Knowsley Town Centres and Shopping Study (EB12 and EB13), which was also undertaken by NEMS Market Research. The RTP survey adopted a different form of questioning to that employed by Alyn Nicholls.

5. Thus the approach taken in the RTP survey (see questionnaire in Appendix 2 of Volume 3 of the Study) was to ask respondents where they last undertook a main food and grocery shop (and the time before that); where they last undertook a top-up food and grocery shop (and the time before that); where they last made a purchase of clothes and shoes (and the time before that), and so on. The RTP survey, therefore, is in the form of shopping trips, and with two trips for each answer, thereby doubling the sample of trips.

6. In contrast, the surveys commissioned by Alyn Nicholls asked the questions in the form of *'What store do you use most for your household's main food shopping'*; *'where do you normally do your top-up food shopping'*; *'where do you mainly go to purchase clothing and footwear'*, and so on.

7. The advice we have received from NEMS over the years is that the 'last trip' approach tends to produce a more dispersed pattern of shopping, and reduces the danger of over-estimating the market shares of large food superstores, and higher order comparison goods centres (i.e. Liverpool and St Helens). It is also necessary to take account of sampling error that applies to all household and pedestrian surveys. For example, Table 7 of Appendix 3 of the Alyn Nicholls statement records that 48 per cent of the respondents in Zone 1, in the year 2000 survey, stated that they had no car. This clearly reflects sampling error, in that zero car ownership accounts for a much smaller proportion of the full population of households in Zone 1.

8. Thus, any difference between the Alyn Nicholls and RTP surveys in relation to the market shares of Prescot Town Centre and the Cables Retail Park, and any differences in the pattern of trade draw (the proportion of trade drawn from residents of each of the survey zones) does not undermine the soundness of the evidence base provided by the RTP surveys. We do not agree, therefore, with the concerns expressed in the letter from Alyn Nicholls and Associates to the Programme Officer of 24th September 2013. Indeed, since the RTP commissioned survey of July 2008, there has been no development of superstores in the Whiston/Rainhill/Huyton area (Zones 1, 2 and 3 of the Alyn Nicholls survey), and the major influence on comparison goods spending patterns since the RTP survey is likely to have been Liverpool One, which opened in May 2008 (just before the survey), but will not have fully matured at that date.

9. Thus, the value of the Alyn Nicholls and Associates surveys is to enable an assessment of change over time using its own consistent methodology, but its findings are not directly comparable with the empirical research that fed into the Knowsley Town Centres and Shopping Study, which forms part of the evidence base for the emerging Knowsley Local Plan.

The Survey Findings

Shopping Patterns and Expenditure Retention

10. The Alyn Nicholls surveys clearly illustrate the positive impact of Tesco at the Cables Retail Park in improving the retention of the convenience goods expenditure of the residents of Zones 1 and 2 combined (the final column of Table 1 of Appendix 3 of Alyn Nicholls' statement). Thus, the retention level within the wider Prescot area (i.e. Town Centre and Cables combined) for residents of Zones 1 and 2 combined, increased from 43.8 per cent in the year 2000, prior to the opening of the Tesco store, to 58.1 per cent in 2008, with a particularly significant increase attributable to the residents of Whiston and Rainhill (Zone 2).

11. It would appear, however, that there has been a fall in the convenience goods retention level for residents of Zones 1 and 2 over the last five years from 58.1 per cent in 2008 to 48.5 per cent in 2013. Alyn Nicholls attributes this fall, not unreasonably, to development of new food discount supermarkets, and a rise in car ownership, as shown in Table 7, so that the residents of Zones 1 and 2 now have more choice than they did in 2008. However, the RTP retention rate in the convenience sector was 49 per cent in 2008, which is almost identical to Alyn Nicholls' finding in 2013, which in part is a reflection of the absence of any development of superstores since 2008 in Prescot's Primary Catchment Area (Zones 1, 2 and 3).

12. The final column of Table 2 in Appendix 3 of Alyn Nicholls' statement demonstrates, as expected, that the Tesco at Cables Retail Park has wider pulling power for convenience goods expenditure than does the traditional town centre. Thus, Tesco draws 64.3 per cent of its convenience trade from the residents of Zones 1 and 2, whereas the traditional town centre in Prescot draws 77.4 per cent of its convenience trade from Zones 1 and 2. The RTP survey work had shown a similar pattern of trade draw in the convenience goods sector, with the Town Centre drawing 73 per cent of its convenience trade from the residents of RTP Zones 3 and 4 (which are most similar to Alyn Nicholls' survey Zones 1 and 2). However, the RTP survey found that Tesco had a wider pattern of draw in 2008, with only 52 per cent of its convenience trade drawn from residents of RTP's Zones 3 and 4.

13. In the comparison goods sector, Alyn Nicholls' surveys have shown a continued improvement in the retention of expenditure of residents of its Zones 1 and 2 (final column of Table 3). Thus, the retention rate for residents of Zones 1 and 2 combined, in Prescot as a whole, including the Cables Retail Park, has risen from 9.3 per cent in 2000, to 16.0 per cent in 2008, and to 21.3 per cent in 2013. By coincidence, the latter figure is almost identical to the comparison goods retention rate shown in RTP's study of 21 per cent in 2008.

14. The final column of Table 4 of Appendix 3 of Alyn Nicholls' statement shows that Cables draws 50.1 per cent of its comparison goods trade from Alyn Nicholls' Zones 1 and 2, whereas the Town Centre draws only 45.4 per cent of its trade from residents of Zones 1 and 2, which is a slightly surprising result. The RTP surveys had shown that Cables Retail Park drew only 38 per cent of its comparison trade from residents of Zones 3 and 4 in 2008, and that the Town Centre, as expected, was more

reliant on local Zones 3 and 4 for its source of comparison goods trade, drawing 55 per cent from residents of these zones.

15. Thus, the overall conclusion that we draw in relation to spending patterns, is that Cables Retail Park has helped greatly in securing an increase in comparison goods expenditure. However, it has achieved this success as an 'edge of centre' retail park, which has not been designated in the adopted development plan as being part of Prescot Town Centre. The Tesco store at Cables has also helped in improving the convenience goods retention level between the year 2000 and 2008, but the improvement is less marked than in the comparison goods sector, because of the closure, before the 2008 survey, of the Somerfield and Kwik Save stores in Prescot Town Centre. Moreover, some of the benefit of the Tesco store has been eroded in the past five years as a result of rising levels of car ownership, and increased competition from discount supermarket operators such as Aldi and Lidl in competing locations.

Linked Trips Between the Cables Retail Park and Prescot Town Centre

16. Table 5 of Appendix 3 of Alyn Nicholls' Statement shows that the propensity for visitors to Prescot Town Centre to visit the Cables Retail Park on the same day has remained more or less static between 2000 and 2013; indeed, the result for 'All Zones', which is not shown in Table 4, is 29.9 per cent in 2008, and 29.5 per cent in 2013. However, there has been a material drop since 2008 in the propensity for visitors to the Cables Retail Park to also visit Prescot Town Centre, as shown in Table 6. Thus, for residents of Zone 1 who are visiting the Cables Retail Park, the propensity for linkage with the Town Centre has dropped from 43.7 per cent in 2008 to 27.5 per cent in 2013; similarly for Zone 2, the proportion has dropped from 37.1 per cent in 2008, to 22.4 per cent in 2013; and the result for 'All Zones' (which is not shown in Table 6), shows a fall from 29.1 per cent in 2008, to 21.0 per cent in 2013.

17. Our interpretation of this survey finding is that the defined Town Centre has not recovered from the loss of its key anchor supermarket (Somerfield), and that there is a need for improvement in the retail and service offer of the defined Town Centre, if the benefits of the Cables Retail Park are to be fully realised. This is one of the reasons for our subsequent conclusion that it would not be appropriate to extend the Town Centre Boundary to include the Cables Retail Park in the Knowsley Local Plan Core Strategy. The Council needs to retain the ability to apply the NPPF's sequential and impact tests to proposals at the Cables Retail Park as part of its armoury in seeking to improve the retail and service offer within the defined Town Centre, and in improving linkages with the Town Centre through the redevelopment of the Sewell Street site.

The Inspector's Questions Under Matter 6.5

18. The Inspector's questions under Matter 6.5 have been addressed in paragraphs 6.5.1 to 6.5.4 of the Council's Hearing Statement 6. We fully support the proposed amendment to Clause 1c of Policy CS14, as set out at the end of paragraph 6.5.2 of the Council's Statement. We focus, therefore, on

the Inspector's second question under Matter 6.5, which is *'Would a further town centre extension to include Cables Retail Park bring significant retail benefits?'*

19. In response to the Inspector's second question, we would support the Council's concern, as expressed in paragraph 6.5.4 of its Statement, that the designation of the Cables Retail Park within the Town Centre would result in the unintended consequence of potentially bringing other locations along Manchester Road, and along Warrington Road, into the 'edge of centre' sequential location category, particularly if the subsequent Site Allocations and Development Policies Local Plan was to define Cables Retail Park as being part of the Primary Shopping Area. We support the Council's contention that locations along Manchester Road and Warrington Road should be regarded as 'out of centre' locations.

20. Moreover, it seems clear, from the Council's Statement, that officers have struggled to find any potential benefits of including the Cables Retail Park within the defined Town Centre. Paragraph 6.5.3 of the Council's Statement refers to the potential impact of a reduction in commercial yield applied to the Retail Park, and hence an increase in its capital value. The Council's Statement points out, however, that this would only be of benefit if part of the capital value enhancement is invested in improving linkages between Cables Retail Park and the Town Centre, particularly along Sewell Street, where the Brookhouse Group also has important landholdings.

21. We should make it clear that the point being made about the potential impact on yields and capital value stems, in part, from Mike Holliss'[1] experience in acting for the Black Country Consortium of Authorities at the West Midlands RSS Phase I Examination, which dealt with the designation of Merry Hill/Brierley Hill as a strategic centre. We have discussed this matter with Alyn Nicholls, and we fully accept that Merry Hill is of a completely different scale, and different type of retail destination compared to the Cables Retail Park. However, the simple point that was being made is that a town centre designation for the Cables Retail Park would enable Brookhouse to target any type of retail occupier and increase the quantum of retail floorspace at the Cables Retail Park, without being subject to the sequential and retail impact safeguards set out in Paragraphs 24 to 26 of the NPPF. Such freedom would clearly boost the investment confidence of Brookhouse, and any potential future purchaser of the retail park, and yield, quite simply, is a reflection of investor confidence - the greater the confidence, the lower the yield and the higher the capital value.

22. The key points, however, are that:

    a. the benefits that have been achieved to date by Cables Retail Park in improving the retention of expenditure within the Prescot area, and reducing the need to travel, have been achieved as an 'edge of centre' retail park that has not been identified as part of Prescot Town Centre in the adopted development plan;

[1] Mike is a former Partner of RTP, and director of the Knowsley Town Centres Shopping Study.

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b. Policy CS14, as currently drafted, already allows for a restructuring of the retail provision within the Cables Retail Park, although, for the reasons explained subsequently, we would favour the deletion of criteria a) and d) of the second part of the Policy, given that these are unnecessary additions to the sequential and impact tests that would still apply under the provisions of the NPPF; but that

c. the expenditure retention benefits of Cables Retail Park have not been sufficiently powerful, through spin-off linkage, to offset the decline that has occurred in the defined Prescot Town Centre, so that the defined Town Centre continues to suffer from the effects of the loss of the Somerfield and Kwik Save stores, thereby making it even more imperative that improved linkages are secured, which, in turn, requires the application of the NPPF's sequential and impact tests in encouraging the development of the Sewell Street site.

23. Thus, in our opinion, there is nothing in the new material submitted by Alyn Nicholls & Associates which supports the case for the boundary of Prescot Town Centre to be extended to include the Cables Retail Park as part of the Knowsley Local Plan Core Strategy.

Changes to the Plan

24. Paragraph 30 of Alyn Nicholls & Associates' Statement sets out the changes it seeks to the emerging Local Plan. In our assessment, there are only two changes that would improve the Plan in terms of its policies for retailing and town centres. The first is the change to Clause 1c of Policy CS14, as set out in paragraph 6.5.2 of the Council's Statement. The second relates to Clause 2 of Policy CS14. We would recommend the deletion of items a) and d) of Clause 2, on the ground that they are not justified. We consider that the sequential and impact tests set out in Paragraphs 23 to 27 of the NPPF provide for sufficient safeguards in relation to restructuring proposals at the Cables Retail Park. However, the Council may wish to give consideration to the introduction of a local floorspace threshold in the future Site Allocations and Development Policies DPD, given that the impact tests in Paragraph 26 of the NPPF apply only to proposals exceeding 2,500 sq.m.