

# The Co-operative Group

Hockley Area Action Plan Examination

Hearing Statement

Issues 3 & 4: Eldon Way Opportunity Area and Retail Policies

Respondent ID Number: 17717

August 2013



**THE CO-OPERATIVE GROUP**  
**HOCKLEY AREA ACTION PLAN EXAMINATION**  
**HEARING STATEMENT**  
**ISSUES 3 & 4: ELDON WAY OPPORTUNITY AREA & RETAIL POLICIES**  
**RESPONDENT ID NUMBER: 17717**

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## **1.0 INTRODUCTION**

- 1.1 This Statement has been prepared on behalf of The Co-operative Group ("the Co-op").
- 1.2 The Co-op currently operates a store under its 'Co-operative Food' fascia at 45 Spa Road in Hockley Town Centre and therefore has a significant interest in the appropriate formulation of retail planning policy and retail allocations through the Hockley Area Action Plan ("the HAAP").
- 1.3 The Co-op has made representations to the Hockley Area Action Plan – Submission Document upon which this Statement deals. In line with the Inspector's guidance, this Statement is confined to the issues raised in the original representations. As participants in the Hearing we reserve the right to provide further comments on the other issues raised by the Inspector as necessary.

## 2.0 THE CO-OPERATIVE GROUP'S CASE

2.1 The Co-op's case relates to the allocation of the Eldon Way site for a foodstore in the HAAP, in particular Policy 6 (Improving Retail Choice for Local People).

2.2 The Co-op considers that the HAAP is unsound for the following reasons:

- **Evidence Base Justification:** as presently drafted the AAP has been based on the findings of the Council's Retail and Leisure Study 2008, prepared by White Young Green ("the RLS"). The evidence base is considered to be out-of-date and in any case does not justify the type or scale of retail floorspace proposed at the Eldon Way site.
- **Effectiveness:** notwithstanding the lack of evidence base justification, the AAP is predicated upon all the convenience goods capacity in the District being met in Hockley at the Eldon Way site. No assessment has been made of the effects that this would have on other Centres in Rochford DC or why the need should be met in Hockley.

The Eldon Way Opportunity Area is in multiple ownership, including land under long term leasehold to the Co-op. The Co-op does not therefore consider that the proposed development of the Eldon Way Opportunity Area is deliverable.

- **Consistent with National Policy:** the NPPF requires Local Planning Authorities to meet objectively assessed needs and identify sites to meet the scale of retail development needed. In the absence of an identified need for additional convenience goods floorspace at Eldon Way, the HAAP is not consistent with the NPPF.

2.3 The Co-op considers that its comments can be addressed via amendments to the wording of Policy 6 and the explanatory text. The rationale for the objection is outlined in Section 3 of this Statement with recommended revisions to the HAAP provided at Section 4.



### 3.0 EXAMINATION ISSUES

3.1 The Co-op's case is outlined below with reference to the Issues identified by the Inspector.

***Issue 3: Are the policies for the Eldon Way Opportunity Area justified, deliverable within the Plan period and consistent with national policy?***

#### **Evidence Base Justification**

3.2 The Council's retail evidence base comprises the RLS. There are several key issues arising from the RLS which are relevant to the justification of the Eldon Way allocation and should be noted at the outset:

- The Council's RLS was undertaken in 2008 and is considered to be out-of-date.
- Notwithstanding this, the HAAP (page 48) refers to a district-wide convenience goods capacity of 3,000 sq m net in 2026, with capacity in Hockley of 890 sq m net. The reference to these floorspace levels are misleading as they relate to a low sales density akin to that of a 'discount' operator and not a 'top-four' operator (see RLS Table 8.3. notes 1 and 2).
- The RLS identifies capacity for a 'top four' operator to be substantially less than the HAAP, at 1,250 sq m net across the entire district. In Hockley, the RLS identifies capacity of 300 sq m net for a 'top-four' operator. This alone does not justify a store of 3,000 sq m gross in Hockley or indeed anywhere else in the District.
- Additional convenience goods provision has come forward since the RLS was undertaken. In particular the Sainsbury's store on Spa Road (circa 208 sq m net), has met the majority of the convenience goods need identified for Hockley in the RLS up to 2026.

#### ***Robustness of the Retail and Leisure Study 2008***

3.3 The RLS is considered to be out-of-date as it was undertaken in 2008, with the household survey of shopping patterns which underpins the capacity assessment being undertaken in March of that year.

- 3.4 RDC has not sought to update the Study or revise the capacity position to take account of changes in economic circumstances, the effects of recent developments or more up-to-date population projections and expenditure data which could impact on its findings.
- 3.5 The Co-op does not therefore consider that the HAAP is based on robust and up-to-date evidence. Notwithstanding this, commentary is provided below in respect of the justification of the HAAP against the evidence base.

#### *Capacity*

- 3.6 In response to the Inspector's questions (EHX112 Q10a), RDC refer to convenience goods capacity of 890 sq m net in Hockley. It needs to be recognised that this capacity only exists for a discount foodstore operator. The RLS identifies capacity in Hockley for a 'top-four' convenience goods operator of just 300 sq m net.
- 3.7 In this respect, is important to understand the methodology for converting capacity in expenditure terms (RLS Tables 8.2 & 8.14), into floorspace. This is achieved by applying average turnover sales densities (i.e. £ per sq m) to the available expenditure. A 'discount' operator such as Aldi or Lidl has a lower sales density than a 'top four' operator (i.e. Asda, Morrisons, Sainsbury's and Tesco), in line with that set out in the notes to RLS Table 8.3. The convenience goods capacity that exists for a 'top four' operator in Hockley is therefore 300 sq m net, not the 890 sq m referred to in the AAP.
- 3.8 The Council state (EXH120, 10a) that there has not been an increase in retail floorspace since the RLS was undertaken which would affect capacity, as the Sainsbury's and Costcutter were previously in Class A1 use. However, these units were not previously in use for convenience goods and therefore there has been an increase in convenience goods floorspace in Hockley. This will have reduced the capacity position identified in the RLS.
- 3.9 As the RLS separately assesses the need for both convenience and comparison goods floorspace it is not therefore appropriate to suggest that the provision of additional convenience goods floorspace is of no relevance to the convenience goods capacity position.

#### *Clawback*

- 3.10 In response to the Inspector's Initial Questions, RDC states that a new foodstore would increase retention in Hockley (EXH112 10.a). RDC also refer to leakage from the

'Hockley home zone' (i.e. Zone 3) at EXH120 10.a. It should be noted that Zone 3 comprises three postcode sectors, including postcode sector SS9 5 (RLS Appendix 1) which extends beyond the RDC area.

- 3.11 The Plan contained at Appendix 1 shows that the population within this postcode sector is almost entirely located within the Eastwood area of Southend-on-Sea Borough Council. The 2011 census identifies that this sector has a population of 11,783, compared with 15,465 in the rest of the zone. Residents in this area would not be expected to undertake their convenience shop in Hockley, given their proximity to the large Tesco Extra store at Westcliff-on-Sea (circa 9,400 sq m gross / 5,600 sq m net). It is therefore considered that the 'leakage' of expenditure put forward by RDC has been substantially overstated, as it is not in fact leakage from Hockley or indeed the RDC administrative area.
- 3.12 In addition, RDC has not assessed the ability of a foodstore of 3,000 sq m gross to clawback trade from existing stores which currently draw trade from Hockley. For example, the main convenience goods destination for residents in Zone 3 (which includes Hockley), is the Tesco Extra at Westcliff-on-Sea, which is over three times the size of the proposed Hockley store. This store is accessible to Hockley residents, being approximately a 9 minute drive from Hockley. Similarly, the Sainsbury's store at Rayleigh Weir (6,290 sq m net), is approximately 10 minutes drive from Hockley. A 10 minute drive time is reasonable for undertaking a weekly / main food shop. Notwithstanding our comments at paragraph 3.11, the ability for any meaningful clawback from these stores is therefore likely to be limited given their size, offer and existing attraction.

*RLS Recommendations*

- 3.13 The RLS (see paragraph 10.26) states that the scale of need does not lend itself to a foodstore capable of retaining a significant proportion of main food shopping expenditure. It recommends (see paragraph 10.27) that it is more appropriate to focus on enhancing the existing convenience offer, potentially through extensions to existing stores. The Sainsbury's store will have provided a qualitative improvement to the convenience goods provision in Hockley, in line with this recommendation.
- 3.14 The RLS (see paragraph 10.29) recommends that focus be maintained on developing Hockley's existing strengths, rather than retail expansion. It states that there may be considerable scope to develop Hockley as a boutique shopping destination populated

with smaller high quality retailers, to be complemented with a range of leisure and service uses.

- 3.15 In its conclusion, RLS paragraph 10.44 states that opportunities for Hockley to develop are limited having regard to its location and proximity to other more established centres, but that there are considerable opportunities to develop Hockley as a boutique destination, capitalising on its existing high quality pedestrian environment and good mix of independent traders.
- 3.16 In our view, the conclusions and recommendations of the RLS provide a more appropriate and justifiable opportunity for the Eldon Way site than the provision of a 3,000 sq m gross foodstore, which is not justified against the evidence base.

### ***Effectiveness***

#### *AAP Period*

- 3.17 It is noted that RDC proposes to amend the HAAP period from 2026 (the timeframe set out in the RLS) to 2025, in order that it is consistent with the Core Strategy. The Co-op does not object to this, although it should be noted that the RLS capacity position as referred to in the HAAP has not been assessed at 2025 and capacity in this year would be slightly reduced from that at 2026.

#### *Consistency with the Core Strategy*

- 3.18 Notwithstanding the Co-op's position on the lack of convenience goods capacity in Hockley, it is not considered appropriate that Hockley should meet all the district-wide capacity for a 'top-four' foodstore operator as set out in the RLS.
- 3.19 This approach is not consistent with the Council's Core Strategy, in particular Policy RTC2 (Sequential Approach to Retail Development), which states that "retail needs in one settlement cannot be met in another".
- 3.20 Hockley is the smallest of the Town Centres in RDC compared with Rayleigh and Rochford. The greatest amount of capacity identified in the RLS actually arises in Rochford, whereby the RLS identifies an immediate capacity of 740 sq m net in 2013 (RLS paragraph 10.18). No justification has been provided to demonstrate that Hockley should be meeting the needs of residents in either Rochford or Rayleigh.

*Delivery*

- 3.21 Page 32 of the HAAP states that the Council does not own or control the majority of land within the Eldon Way Opportunity Area and that its redevelopment is largely dependent on private landowners and developers bringing the land forward. EXH112 sets out RDC's response to the Inspector's question requiring clarification of the ownership position along with a land ownership plan (EXH113).
- 3.22 The land ownership plan only covers part of the proposed Eldon Way Opportunity Area (HAAP Figure 14). In particular it does not include those properties fronting Spa Road, including the Co-op's store and car park. The Co-op has a long-term leasehold on its store and car park and has no current intention to vacate its premises. A plan of the Co-op's demise is included at Appendix 2.
- 3.23 The 'Hypothetical Layout for Capacity Testing' (82.EB32) which appears to have directly informed Figure 14 of the HAAP, specifically identifies the proposed foodstore on land outside of the EXH113 area, including part of the Co-op's store, comprising the back of house area, and also the associated car park.
- 3.24 Given the land ownership position, the Council should therefore be asked how it considers that the HAAP can be delivered.

*Requirement for Small Scale Unit Shops*

- 3.25 Policy 6 states that new retail (A1) development will be permitted where, amongst other things, it provides a range of unit sizes, including smaller units. The provision of small scale unit shops would be consistent with the evidence base justification (RLS, paragraph 10.29).
- 3.26 However, the 'Hypothetical Layout for Capacity Testing' (82.EB33) or 'Hockley Viability Note (81.EB32), do not make provision for such unit shops. Whilst it is recognised as being a hypothetical layout and subject to change, it does represent an indication of the type, form and scale of development that RDC envisages coming forward and on which the viability and therefore delivery of any scheme has been assessed.
- 3.27 In the absence of a key component of the HAAP requirement, RDC should be asked to clarify how a Policy 6 compliant scheme could be delivered.

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**Consistency with National Policy**

- 3.28 The NPPF sets out the requirements for Local Planning Authorities in preparing Local Plans.
- 3.29 Paragraph 14 sets out the 'presumption in favour of sustainable development'. For plan-making, it states that local planning authorities should positively seek opportunities to meet the development needs of their area, and that Local Plans should meet objectively assessed needs.
- 3.30 NPPF paragraph 23 (6<sup>th</sup> bullet) requires LPAs to allocate a range of suitable sites to meet the scale and type of retail development needed in Town Centres, including an assessment of the need to expand centres.
- 3.31 A clear requirement of the NPPF is to "meet the scale and type of retail development needed". In this respect the starting point for the LPA is to objectively assess the type and scale of need, then seek to identify sites to meet this need, starting with Town Centres then edge-of-centre locations.
- 3.32 Paragraphs 3.2 - 3.12 above demonstrate that the RLS does not identify a need for the scale of additional convenience goods floorspace proposed under Policy 6. As such there is no requirement or justification against the NPPF to identify a site for a foodstore of 3,000 sq m gross.
- 3.33 The RLS does however identify the potential for boutique and small scale enhancements to Hockley. The Eldon Way Opportunity Site could therefore be allocated for small scale retail, service and leisure provision which the RLS considers to be appropriate and which could therefore be justified against the evidence base.

**Response to Inspectors Questions**

- 3.34 In response to the Inspectors questions, insofar as they relate to the Co-op's case, we offer the following:

*iii) Bearing in mind the Retail & Leisure Study of 2008 and other evidence is there a justification for a foodstore of 3,000 sq m (gross) as indicated in Policy 6?*

3.35 This Statement has set out the reasons why the allocation of a 3,000 sq m gross foodstore at the Eldon Way site is not justified. In particular there is no identified or objectively assessed need for a 3,000 sq m gross foodstore in the Council's evidence base.

*iv) If not, what are the implications for the HAAP?*

3.36 On the basis that the Eldon Way foodstore allocation is not justified and the HAAP is not therefore sound, we set out our recommended changes to the HAAP in Section 4 of this Statement.

***Issue 4: Are the retail policies justified, likely to be effective and consistent with national policy?***

3.37 The Co-op's case against Policy 6 in respect of the Eldon Way Opportunity Area has been set out above.

3.38 For these reasons, insofar as they relate to the provision of a foodstore at the Eldon Way site, it is not considered that the retail policies of the AAP are justified, effective or consistent with national policy.

3.39 The Co-op does not wish to comment on Policy 7 (Ensuring a Healthy Centre).

## 4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 From the case outlined in Section 2 and the response provided to the Inspector's Issues in Section 3, we have identified that HAAP Policy 6 is unsound.

4.2 Whilst the HAAP is currently unsound, we recommend the following changes could be made in order to make it sound:

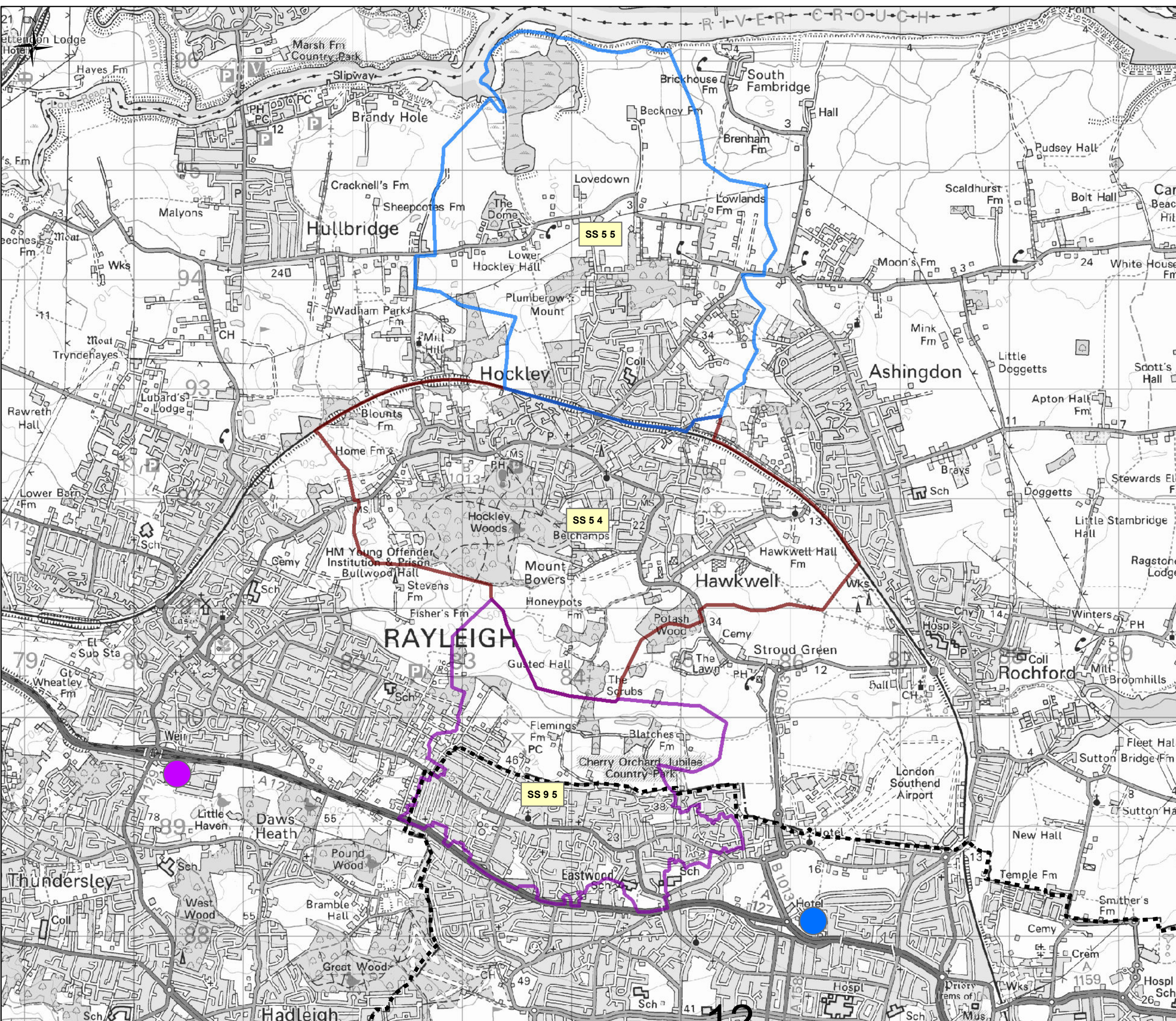
- Delete reference to a new foodstore in Policy 6. The supporting text should clarify that in the absence of an identified need for a new foodstore in Hockley, any planning application for a foodstore will be required to demonstrate compliance with the NPPF sequential and impact tests (paragraphs 24 and 27).
- In the absence of an identified need for additional convenience goods floorspace, it is recommended that the HAAP includes a threshold that planning applications for additional convenience goods floorspace will be required to undertake a retail impact assessment for consistency with NPPF paragraph 26. The recommended threshold is 500 sq m gross.
- Amend Figure 14 to specifically remove the Co-op store, its car park and adjoining businesses from the Eldon Way Opportunity Area.
- Other policies and references in the explanatory text should be amended accordingly in order that they are consistent with the revisions to Policy 6.

4.3 The changes we recommend are considered to be justified, effective and consistent with the NPPF. They can therefore be accommodated without undermining the overall HAAP. No changes will be necessary to Policy 1.



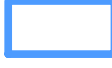



## **APPENDIX 1**

### **POSTCODE SECTOR PLAN & POPULATION**



# Legend

-  Local Authority Boundary
-  Postal Sector SS 5 4
-  Postal Sector SS 5 5
-  Postal Sector SS 9 5

## 2011 Census Population

Postal Sector  
 SS 5 4 = 9,653  
 SS 5 5 = 5,812  
 SS 9 5 = 11,783

-  Sainsburys
-  Tesco Extra

## Project

Hockley AAP

## Drawing Title

Postcode Sector and Population

Date	Scale	Drawn	Checked
13.08.13	1: 40,000 @A3	NW	AL
Project No	Drawing No	Revision	
21825	GIS01	-	



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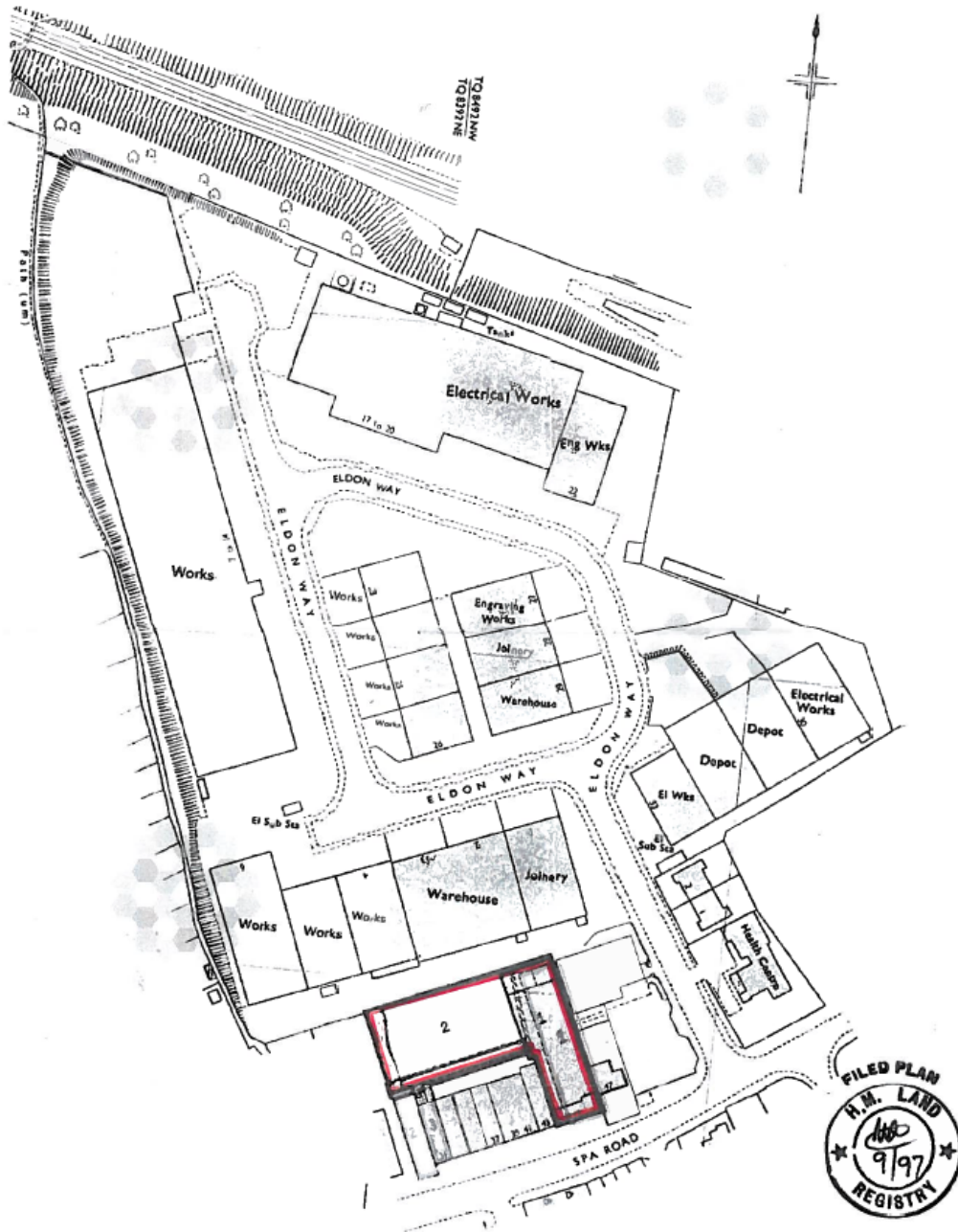
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## **APPENDIX 2**

### **CO-OP DEMISE**

Spa Road  
Hockley

H.M. LAND REGISTRY		TITLE NUMBER <b>EX580331</b>	
ORDNANCE SURVEY PLAN REFERENCE	TQ 8392	SECTION D	Scale 1/1250
COUNTY ESSEX	DISTRICT ROCHFORD	© Crown copyright 1990	



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