



**Assessment of Retail Planning
Policy – Proposed Retail Stores
at South Quay and Marsh Lane,
Hayle**

Cornwall Council

March 2010

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1. INTRODUCTION

Scope and Purpose

- 1.1 This report has been prepared by GVA Grimley Limited in response to an instruction by Cornwall Council (CC) to carry out an independent review of the retail planning policy aspects of two planning applications for retail development in Hayle.
- 1.2 In brief, the submitted planning applications comprise a proposal by ING RED (Hayle Harbour) Limited for the development of a 3,159 sq m net food store and ancillary retail/restaurant uses at South Quay in Hayle. This application is submitted in outline. The other application is submitted by Sainsbury's Supermarkets Limited and Cranford (Hayle) LLP and relates to the development of a food store along with associated developments on land at Marsh Lane in Hayle. The Sainsbury's application seeks full planning permission and proposes the provision of a 3,043sq m net food store.
- 1.3 In accordance with our instructions from CC, we have carried out a review of the retail assessment reports which have been submitted in support of the ING and Sainsbury's proposals. The retail assessment submitted in support of the ING proposal has been prepared by Strategic Perspectives and is dated December 2009. The retail assessment prepared in support of the Sainsbury's proposal has been prepared by White Young Green (WYG) and is dated November 2009. During the course of our assessment of these documents further information has been requested and this is outlined later in this advice report.
- 1.4 Both proposals are considered in the context of the development plan for the area and other material planning policy considerations such as Planning Policy Statement 4: Planning for Sustainable Economic Growth, which was published in December 2009 after the submission of both applications. A summary of the salient parts of the development and other material planning policy considerations is provided in the next section of this report.
- 1.5 From the outset it should be noted that the consideration of retail planning policies is one of a number of elements which are critical to CC's overall determination of these applications. As a consequence, CC will be required to balance our advice on retail policy matters with other material planning considerations when reaching a decision on these schemes.
- 1.6 When making our assessment of these proposals we refer to the contents of the Penwith Retail Study (PRS) prepared by GVA for the former Penwith District Council and published in 2007. In addition, GVA has been instructed by CC to prepare a county wide retail study for

Cornwall and at the time of writing this report this project is ongoing. Where sufficient data is available, this advice report will refer to the draft findings of the County Wide Retail Study.

Contents of Report

1.7 The remainder of this report is structured in the following manner.

- Section 2 provides a summary of the proposed retail development within the Sainsbury's and ING schemes. This section also summarises those parts of the development plan and other material policy considerations which are salient to the consideration of retail planning policy issues for the schemes.
- Section 3 provides a review of the salient retail planning policy issues for the ING scheme.
- Section 4 provides a review of the salient retail planning policy issues for the Sainsbury's scheme.
- A summary of the key issues and conclusions are set out in Section 5 including the relationship proposals to the development plan for the area and other material considerations.

2. THE PROPOSED DEVELOPMENT AND PLANNING POLICY CONTEXT

The South Quay Application

- 2.1 The application site for the ING scheme is on land known as South Quay, adjacent to the Hayle Estuary and is located close to Foundry town centre, which runs parallel to South Quay on the opposite side of Penpol Creek to the east. A further area of wet land (known as Carnsew Channel) borders part of the western edge of the application site, along with a Jewson's builder's merchant's use. The southern edge of the application site lies adjacent to Carnsew Road, which links Foundry town centre with areas to the west of the town. Carnsew Road runs under a railway viaduct and links to Foundry Square in the east, which in turn connects to Penpol Terrace. The proposed site layout plan submitted with the outline planning application shows the food store unit within the northern part of the application site with the store entrance facing southwards towards a large surface level customer car park, which occupies the central and southern part of the application site. Within the southern extremity of the site four retail/ restaurant units are proposed which lies between the customer car park and Carnsew Road.
- 2.2 The retail assessment submitted with the ING planning application indicates that the proposed net sales area of the food store will be 3,159 sq m, including 2,053 sq m devoted to the sale of convenience goods and 1,106 sq m devoted to the sale of comparison goods. There will also be a café within the store which will extend to 215 sq m and the four ancillary retail/ restaurant units will have a total net floor space of 149 sq m. The retail assessment also indicates that the car parking area will have 341 customer car parking spaces, including 20 disabled spaces and 16 family spaces. The retail assessment also confirms that the proposed food store does not have a named operator.

The Sainsbury's Application

- 2.3 The site subject to the Sainsbury's application lies on the eastern edge of the Hayle urban area and comprises an area of undeveloped land adjacent to Marsh Lane. Marsh Lane links the Sainsbury's site to one of the arms on the A30 Loggans Moor roundabout on the A30 which is part of the Strategic Road Network (SRN) within Cornwall. Marsh Lane also provides access to the adjacent West Cornwall Retail Park (which includes retail units occupied by Marks and Spencer, Boots and Next), plus Hayle rugby club and Hayle industrial park. The

application site is separated from the Hayle Urban Area by the A30 which provides a significant barrier between the site and other parts of Hayle.

- 2.4 The retail assessment submitted with the planning application indicates that the proposed foodstore will have a gross area of 4,983 sq m and a net sales area of 3,042 sq m. The same report also notes that the net sales area will be split between 2,130 sq m for the sale of convenience goods and 913sq m for the sale of comparison goods. The development also includes the construction of 325 customer car parking spaces and a petrol filling station with a sales kiosk and six pump islands, along with a nature reserve on land to the north and east of the food store, plus highway works on the A30 and Marsh Lane. The proposed food store is intended to be occupied by Sainsbury's.

Planning Policy Context

- 2.5 The development plan for the application sites comprises RPG10, the Cornwall Structure Plan (the Structure Plan) and the Penwith District Local Plan (the Local Plan).

- 2.6 Policy EC6 of RPG10 is relevant. It notes that local planning authorities should seek to:

- Locate developments which attract large numbers of people in the centre of the PUAs and in the other designated centres for growth.
- Encourage town centre development of an appropriate scale to settlements in keeping with their size and function.
- Ensure that the vitality and viability of existing centres is protected and enhanced notably by assessing the need for new development and by applying the sequential approach to site selection.
- For convenience shopping, Policy EC6 advises that a distribution of provision should be maintained that minimises the length and frequency of trips.

- 2.7 Policy 14 of the Structure Plan notes that priority will be given to the improvement and enhancement of town centres in providing shopping, office and leisure facilities to meet the needs and aspirations of the whole community. Retail office and leisure development should be in or adjoining town centres where they can help sustain centre's viability and vitality, contribute to the improvement of the town centre environment and can be accessible to all sectors of the community by choice of means of transport. Major proposals should support the role and function of the Strategic Urban Centres (SUCs). Elsewhere such development should be limited to circumstances where particular needs could not reasonably be expected to be met in the adjoining town centres having taken account of the existing provision

available and further development opportunities. The policy also notes that it will be important to assess the capacity of the centre as a whole to meet future needs, rather than its ability to accommodate a particular retailer or form of development. In addition, the policy notes that:

- Development should not be harmful to the vitality and viability of existing centres.
- Locations should be in or well integrated with the towns where the impact and travel patterns would be unlikely to lead to increased car usage and where convenience access by public transport serving the catchment area is available.
- Consideration should be given to the potential role of retail and other commercial development in the physical and economic regeneration of urban areas.

2.8 Hayle is classified as an 'other main town and local centre' under Policy 25 of the Structure Plan. The policy notes that development should be in or well integrated with the built-up areas and support the role and function of these centres in meeting the needs of their own populations and surrounding areas to reduce the need to travel. The level of development in the main towns and local centres will be assessed against their ability to consolidate their roles and functions and support balanced growth through jobs, services and transport infrastructure.

2.9 The Penwith District Local Plan was adopted in 2007 and saved by the Secretary of State in September 2007. The ING application site is allocated (as part of a wider area) under Policy TV-D which promotes redevelopment for uses within Classes A1, A2, A3, B1, B2, B8, C1, C3, D1 and D2 of the Use Classes Order.

2.10 Policies TV-16 and TV-17 of the Local Plan deal with retail development proposals and are applicable to these applications. TV-16 notes that major retail development should be located in the town centres of Penzance, St Ives and Hayle where the greatest benefits to the community can be provided and also outlines the need to apply a sequential approach to site selection (including the need for flexibility). TV-17 deals with retail proposals in edge and out of the locations and notes that they will not be permitted unless:

- The sequential test has been met
- There is a need for the development that cannot be met in the town centre
- They would not be likely to lead to a significant reduction in the range of retailing in any town centre or adversely affect the vitality or viability of any town centre

- 2.11 In addition, proposals must be readily and conveniently accessible by alternative means of transport to the private car.

National Planning Policy Context

- 2.12 In December 2009 the Department for Communities and Local Government (DCLG) published Planning Policy Statement 4: Planning For Sustainable Economic Growth. PPS4 replaces PPS6: Planning For Town Centres (2005) and, as advised by paragraph 3 of that document, it will be a material consideration which must be taken into account in development management decisions (where relevant). It is also advised that the development management policies in PPS4 can be applied directly by the decision maker when determining planning applications. Having regard to the development management policies within PPS4, Policies EC10, 14, 15, 16 and 17 are relevant to the determination of these two planning applications.
- 2.13 Policy EC14 requires that a sequential assessment is provided for planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up to date development plan. The same policy requires an assessment addressing the impacts outlined in Policy EC16.1 for planning applications for retail and leisure development over 2,500 sq m gross floorspace and, in advance of development plan documents being revised to reflect PPS4, an assessment of impacts in Policy EC16 is also necessary for retail and leisure developments below 2,500 sq m which are not in an existing centre and not in accordance with an up to date development plan that would be likely to have a significant impact on other centres.
- 2.14 Policy EC15 deals with the consideration of the sequential assessment for planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan. The Policy notes that, in considering sequential assessments, local planning authorities should:
- Ensure that sites are assessed for their availability, suitability and viability.
 - Ensure that all in centre options have been thoroughly assessed before less central sites are considered.
 - Ensure that where it has been demonstrated that there are no town centre sites to accommodate a proposed development, preference is given to edge-of-centre locations which are well connected to the centre by means of easy pedestrian access.

- Ensure that in considering sites in or on the edge of existing centres, developers and operators have demonstrated flexibility in terms of:
 - Scale: reducing the floorspace of their developments
 - Format: more innovative site layouts and store configurations such as multi-storey developments with smaller footprints
 - Car parking provision: reduced or reconfigured car parking areas
 - Scope for disaggregating specific parts of the retail or leisure development, including those which are part of a group of retail or leisure units, onto separate, sequentially preferable sites. However, local planning authorities should not seek arbitrary sub-division of proposals.

2.15 Policy EC15 goes on to note that, in considering whether flexibility has been demonstrated under Policy EC15, local planning authorities should take into account any genuine difficulties which the applicant can demonstrate are likely to occur in operating the proposed business model from a sequentially preferable site, for example where a retailer would be limited to selling a significantly reduced range of products. However, evidence which claims that the class of goods proposed to be sold cannot be sold from the town centre should not be accepted.

2.16 Policy EC16 outlines the impact assessment for planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan. It notes that such proposals should be assessed with the following impacts on centres:

- The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal.
- The impact of the proposal on town centre vitality and viability, including local consumer choice and the range and quality of the comparison in convenience retail offer.
- The impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan.
- In the context of a retail or leisure proposal, the impact of the proposal on in-centre trade/turnover and on trade in the wider area, taking account of the current and future consumer expenditure capacity in the catchment area up to five years from the time the application is made, and, where applicable on the rural economy.

- If located in or on the edge of a town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres.
- Any locally important impacts on centres under Policy EC3.1.E.

2.17 Policy EC17 provides clear guidance to local planning authorities on the consideration of planning applications for development of main town centre uses not in a centre and not in accordance with an up to date development plan. It notes that planning permission should be refused where:

- The applicant has not demonstrated compliance with the requirements of the sequential approach (Policy EC15); or
- There is clear evidence that the proposal is likely to lead to significant adverse impact in terms of any one of the impacts set out in Policies EC10.2 and EC16.1 ('the impact assessment'), taking account of the likely cumulative effect of recent permissions, developments under construction and completed developments.

2.18 However, where no significant adverse impacts have been identified under Policies EC10.2 and EC16.1, planning applications should be determined by taking account of:

- The positive and negative impacts of the proposal in terms of Policy EC10.2 and 16.1 and any other material considerations; and
- The likely cumulative effect of recent permissions, developments under construction and completed developments.

2.19 Judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date), recent local assessments of the health of town centres which take account of the vitality and viability indicators outlined in Annex D of PPS6 and any other published local information (such as a town centre or retail strategy).

2.20 It will be noted from the contents of PPS4 that the test of need (in terms of both quantitative and qualitative indicators) is no longer a feature of national development management policies on retail development for those proposals which are outside of an existing centre and are not in accordance with an up to date development plan. Both of the retail assessments prepared by DTZ and WYG were completed whilst former PPS6 (2005) was still in force and each assessment understandably provides an assessment of need in compliance with previous national policy. However, given the publication of PPS4 in late December 2009 and its guidance which states that development management policies in PPS4 can be applied directly

by the decision maker when determining planning applications, we consider that there is no longer a requirement to consider need as a stand alone policy test for either of these two planning applications (although information relating to expenditure capacity may still be relevant in relation to the consideration of 'scale'). The latest changes to national policy aside, the Penwith Retail Study undertaken in 2007 estimated that there was a need for approximately 680-1,500sq m net of convenience goods floorspace by 2012, rising to 870-1,750sq m net by 2021. These figures were based on an indicative trading performance of new convenience goods floorspace and the ability of Hayle to claw back trade which is currently lost to surrounding settlements. On the basis of the same assumptions, the comparison goods floorspace need was estimated to be between 100-2,200sq m net by 2012 and 1,200sq m – 4,000sq m net by 2021.

3. THE RETAIL PLANNING POLICY ISSUES – THE SOUTH QUAY APPLICATION

Introduction

- 3.1 This section of our advice report examines the salient retail planning policy issues associated with the ING application at South Quay and concentrates upon the sequential approach to site selection (examined within Section 8 of the Strategic Perspectives Report) and an assessment of impact (contained within Section 9 of the Strategic Perspectives Report). In light of the publication of PPS4 we have set aside Strategic Perspectives assessment of need as a separate policy test, although the assessment of future expenditure capacity and overall scale of development is taken into account when we assess the impact of the proposal under Policy EC16 of PPS4.

The Sequential Approach to Site Selection

- 3.2 At the start of its sequential assessment Strategic Perspectives note that the application site is allocated for new shopping floor space which would normally mean that there is no requirement to carry out a sequential assessment in the context of PPS6. Nevertheless, Section 8 of the Strategic Perspectives Report sets out the sequential assessment of potential opportunity sites (which Strategic Perspectives note was agreed with the Council at a pre-application meeting on 21 July 2009).
- 3.3 Within Guidance set out in Policy EC14.3 of PPS4 a sequential assessment (under EC15) is required for planning applications for main town centre uses that are not in an existing centre, and are not in accordance with an up to date development plan. In the context of the ING application, we agree with Strategic Perspectives that the application site lies in an edge of centre location and we also note the allocation of the site (as part of the wider area) for, amongst other things, Class A1 retail floorspace. However, Policy TV-D does not state the type or scale of retail uses which will be acceptable within the allocation area plus the application site is only one part of the wider TV-D allocation. In addition, when considering whether the development plan for the area is up to date it should be noted that all three elements (RPG10, The Structure Plan and the Local Plan) were adopted prior to the publication of PPS4 in December 2009. As a consequence of all of these factors we consider it appropriate that the ING proposal is subject to this sequential assessment, and therefore we have gone onto consider the information provided in section 8 of the Strategic Perspective's retail assessment.

3.4 Following a summary of the background to the sequential assessment, which deals with PPS6 advice, Strategic Perspectives go on to outline the characteristics of the general business model of major food store operators. SP note that operators look to provide a wholly integrated offer which allows for a wide range and depth of convenience goods and complementary comparison goods under one roof. SP note that if one range was removed from the business model concept then the trading characteristics and commercial viability of the food store would be undermined as it would not be able to compete like for like with other food stores in out of centre locations. SP also outline the disadvantages of disaggregating a food store into two or more units, plus the need for substantial back up storage space to complement the retail sales area of the store. SP notes that the assessment of prospective alternative sites should not therefore compromise the above broad requirements, although SP suggests that they have adopted a flexible approach to layout and trading format of the proposed development, together with the scale of car parking provision. However, SP, at paragraph 8.11, indicates that sequentially preferable sites or premises need to be capable of accommodating a total sales area of 3,159 sq m net and, by virtue of the class of goods sold, have the following principal requirements:

- Goods that require extensive sales area for display.
- Car parking for customers.
- Off road servicing and delivery / dispatch.

3.5 In response to SP's suggested approach regarding flexibility and the business model of the proposal, we consider that consideration of sites which can only accommodate at least 3,159 sq m net sales area is not a sufficiently flexible response to PPS4 guidance. No justification is provided by SP as to why the consideration of alternative sites must be confined to this scale of sales area and why the scale of floor space is the minimum level needed in this instance. We consider that much more flexibility should be shown by the SP assessment in terms of the scale of the proposed retail store and this should guide not only the assessment of the ING application proposal but also other foodstore proposals within Hayle.

3.6 Having regard to the alternative sites considered by SP, these are:

- The Jewson site.
- The Booker's warehouse site.
- R&J Supplies, Copper Terrace.
- Atlantic Motors, Commercial Road/ Fore Street.

- Former Daniels Store, Copperhouse.

3.7 With regards to the Jewson site, SP indicate that this represents an edge of centre location, although they also suggest that the application site is clearly in a sequentially preferable location. Reference is also made by SP to our PRS report which noted that the Jewson site is not the closest part of the Harbour to the existing defined shopping area and, on that basis, may not be a preferred location for Class A uses within the wider harbour development. Within our PRS report we also noted that the redevelopment characteristics of the Jewson's site should reflect the wider harbour regeneration proposals being proposed by ING to ensure a comprehensive solution to this very important part of Hayle. We also noted that the potential for retail uses on this site should take into account (and not impact upon) the wider regeneration proposals, thus demonstrating a need and compliance with sequential site selection. The SP assessment of the Jewson site concludes by noting that it has an existing occupier and, in SP's opinion, is not therefore immediately available for food store development.

3.8 In response to the SP assessment, we would reiterate that the edge of the Jewson site is further away from Foundry Centre than the ING application site (if their respective nearest points are considered), although it remains in an edge of centre location and has the potential to provide a walking distance which is not materially different to the South Quay proposal. We also consider that the Jewson site should continue to receive detailed consideration given our understanding that a national grocery operator is actively pursuing a development proposal for this site and a planning application may soon be submitted. As a consequence, SP's comment that the site has an existing occupier may not necessarily suggest that the site cannot be made available within a reasonable period of time.

3.9 In relation to the other sites assessed by SP we make the following observations:

- The Booker's warehouse lies in an edge of centre location, and lies a similar distance to Foundry Centre as the application site. The site is allocated under Policy TV-E of the adopted Local Plan for a Heritage Centre Craft Workshops and ancillary retail. Therefore, provision of a large scale retail use on this site may be a departure from local plan policy, although, in any event, the site is considered to be too small as a realistic alternative (taking into account flexibility) to the application site.
- The R&J Supplies site on Copper Terrace is allocated in the adopted Local Plan for residential uses. The potential of this site was considered in the PRS report and we found that this location and the layout of the site does not lend itself well to retail uses due to poor linkages and the lack of main road frontage. We recommended that this site, which lies in an edge of centre location is more suitable for residential uses, although some

small scale retailing uses may be appropriate fronting onto Copper Terrace. On the basis of this conclusion we consider that the R&J Supplies site is not a realistic alternative to the ING application site.

- The Atlantic Motor's site lies to the west of outside of the defined town centre boundary of Copperhouse. This edge of centre site is considered too small to accommodate the proposed development, even taking into account flexibility, although the conclusions of the PRS report indicates that this site could potentially be suitable for retail uses to act as an extension to Copperhouse centre (assuming that better pedestrian links can be provided).
- The former Daniels store within the defined town centre boundary of Copperhouse is a vacant former supermarket. The PRS report indicated that there was an opportunity for redevelopment of this site to provide a new market square area and provide linkages between Four Street and the waterfront. It remains our view that any redevelopment scheme for the site should include retail uses on the ground floor, although the size of this site indicates that it is not a realistic suitable alternative site for the proposed development on South Quay.

3.10 We have also considered whether there are any other vacant retail units within Copperhouse and Foundry Town Centres which could potentially accommodate the proposed retail use, although both the survey information provided by SP and our own more recent land surveys of Hayle indicate that vacant units within the centres are small scale and would not be able to accommodate a food store use.

3.11 Therefore, we consider that the ING application site performs well within the sequential assessment and there are no sequentially preferable sites within Hayle at either Copper House or Foundry Town Centres. This conclusion is supported by our analysis within the PRS report which noted that the Harbour area offers a good opportunity to incorporate retail uses as part of a wider land use mix and the report supported the local plans requirement that new retail floor space in the harbour area must be closely integrated within the existing defined centre. On that basis the PRS report supported the allocation of the harbour area for retail uses, although this was subject to further consideration being given the location and scale/ type of proposed facilities (which will be considered in the context of this current application in the next section of this advice report). However, the Jewsons site should not be ruled out as being significantly different in terms of the sequential assessment.

3.12 Now that the performance of the ING application site within sequential assessment has been established, CC will now need to give consideration to whether it represents a suitable, available and viable location for foodstore development. Given the existence of the ING

application, including the amount of time invested by ING in preparing this current application, it could be a reasonable assumption to suggest that the application site represents a viable and available opportunity. We also note the comments of Savills, which are quoted at paragraph 2.8 of the SP retail assessment which indicates that they expect Sainsbury's and Asda (which are currently linked to out of centre sites in Hayle) would consider the South Quay site as an alternative location for a new food store in the event that planning is not granted on their preferred sites out of town. These comments should be balanced against the fact that no grocery operator is currently aligned to the ING scheme.

- 3.13 Therefore the key issue will be suitability of the South Quay site for foodstore development. The suitability of the site has recently been considered by Penwith District Council in relation to an earlier outline planning application, a mixed use development across South Quay and other parts of Hayle Harbour. The application was recommended for approval by Planning Officers and Penwith District Council's Planning Committee resolved to grant planning permission (although an associated legal agreement has not been signed and therefore formal planning permission not issued) although the previous scheme involved a different scale and form of development to that currently being proposed within the current outline planning application.
- 3.14 CC's conclusions on the suitability of the South Quay site for foodstore development will not only determine the outcome of the current ING planning application but also the conclusions reached as part of the sequential approach to site selection for the Sainsbury's planning application and any other applications for foodstore development in Hayle which are submitted in the near future. Not only must CC consider the detailed merits of the ING application, but it must also consider whether the South Quay site is suitable for other scales of foodstores (and associated customer car parking) use. It is our view that there are no sequentially preferable locations to the South Quay site, although CC must judge whether the other detailed aspects of the proposed development confirm the suitability of this site and must also balance the locational characteristics of this site with those of Jewsons (if and when a formal application is made).
- 3.15 Assuming that the South Quay site is confirmed as a suitable location for foodstore and associated development, we recommend that CC consider whether linkages with the town centre can be improved. This is considered in more detail later in this section, along with our advice in relation to the impact of the South Quay proposal, although it is our recommendation that in order to ensure effective linkages and integration with Foundry Town Centre CC and ING must investigate the potential for reasonable improvements to pedestrian links with the centre, including a footbridge link with Penpol Terrace. Consideration should also be given to regeneration aspirations for the harbour area as detailed in the masterplan for this area.

The Assessment of Impact

- 3.16 The assessment of impact of the proposed foodstore at South Quay is contained in Section 9 of the Strategic Perspectives Retail Assessment. The assessment is structured to follow guidance within PPG6, although there is now a need to assess the proposal against the contents of Policy EC16.1 and EC10.2 of PPS4. We deal with impact criteria as they are now structured within the final version of PPS4 (December 2009), although consideration is given to the assessment of impact provided by SP.

EC16.1 (a) The impact of the proposal on investment

- 3.17 With regard to the impact of the proposal on investment, SP note that Hayle's main centres have not benefitted from significant public or private sector investment in recent years. They also note that the retail offer in out of centre locations continues to expand and strengthen, then the retail offer of Hayle must be of a scale and nature to effectively compete with other attractions and competing town centres. SP go onto note that the proposed scheme will not undermine investment in Hayle and actually represents a substantial investment in the town, intended to act as an important catalyst for increasing business and market confidence. The covering letter with the ING application also indicates that the wider master plan scheme (subject to a previous outline planning application) has been frustrated by the current recession and in particular with the down turn in the residential market. SP note that despite public sector support it is unlikely that development will proceed in the short term. The covering letter goes on to note that the phasing of development has been reviewed to see whether a commercially viable proposal exists to South Quay (which was originally the last phase of the master plan) and it is noted that the level of development envisaged in the master plan would be unable to support the infrastructure improvements associated with the development of the site and the works associated with restoring the historic fabric of the Quay. It is suggested that only a retail development on South Quay associated with residential and commercial uses on the north of the quay in line with the master plan is capable of bringing forward development in the short term.
- 3.18 In light of the above, it would appear, based on information submitted by the applicant the previous proposal for South Quay is unlikely to proceed, and only an alternative scheme based upon a foodstore development is able to bring forward the regeneration of the South Quay site. We are not aware of any detailed viability information which has been submitted as part of this planning application to substantiate the claims made by the applicant and therefore the Local Planning Authority would have to consider whether the current proposal is the only realistic and viable scheme for South Quay or whether or forms of development could

also be brought forward. Overall, based on the information submitted by the applicant it would appear that the current scheme for South Quay would not prejudice previous investment plans for the site, given that these plans are no longer capable of implementation. A further factor for the Local Planning Authority to consider is the relationship of this scheme to the wider Hayle Harbour area which was included as part of a comprehensive scheme in the previous outline planning application. In particular, the LPA will need to consider whether it is correct to grant separate planning permission for a development at South Quay in isolation to other parts of the harbour area.

Policy EC16.1 (c) – the impact on allocated sites outside of town centres being developed in accordance with the development plan

- 3.19 Apart from the harbour area the only other allocation on the edge of the existing centres is for a heritage centre, craft workshops and ancillary retail outlets in the foundry area to the south of the application site. The Local Plan proposes a different form of development to that envisaged for the South Quay site and therefore we do not consider there to be a serious risk of the current proposal affecting the ability to deliver development within the Foundry area. However, as noted above, we recommend that the LPA give consideration to the effect of the proposed development of South Quay on the ability to deliver regeneration across other parts of the harbour area as allocated under Policy TV-D of the Local Plan.

Policy EC16.1 (d) – the impact of the proposal on in-centre trade/turnover and trade in the wider area

- 3.20 Having regard to the financial impacts of the proposed foodstore Section 9 of the SP report provides an analysis of trade diversion along with an assessment of impacts upon existing store turnovers. This is supported by a statistical assessment contained within Appendices 7 and 8 of the SP report. The starting point for the SP assessment is the calculation of the 2009 store turnovers. In order to calculate turnover levels SP have adopted the household survey results used to underpin 2007 PRS report. These market shares have then been amended by SP to take into account the affect of the opening of the Marks and Spencer store at West Cornwall Retail Park and an extension to the Lidl store in Hayle, both of which were not trading at the time of the 2007 Household Survey. The effect of these amendments introduced by SP shows an overall rise in the level of convenience goods expenditure flowing to stores in Hayle which comprises the claw back of expenditure previously lost to surrounding settlements, plus small amounts of redistribution of trade from other existing stores in the town.
- 3.21 As a result of these changes SP predict that the Co-Op Store in Hayle will have a study area derived turnover of £8.6 million in 2009, the Marks and Spencer store will have a study area

derived turnover of £3.7 million, the extended Lidl store will have a study area derived turnover of £3 million and other convenience stores within Hayle will have a study area derived turnover of £1.9 million. At this point of the assessment it is useful to compare the turnover levels estimated by SP against those provided by WYG in support of the current Sainsbury's planning application and the emerging draft findings of the Cornwall retail study. These are outlined in the table below:

Table A: Comparison of convenience store turnovers

Store	2010 Draft Cornwall Retail Study £m	Strategic Perspectives £m	WYG £m
Co-op	8.0	8.6	5.3
Lidl	4.5	3.0	4.1
M&S	1.3	3.7	2.5
Other stores in Hayle	1.1	1.9	0.5

- 3.22 The above data indicates that our current draft retail study and the SP work is showing similar levels of turnover as the Co-Op store, although SP is suggesting higher levels of turnover for the Marks and Spencer store and other convenience stores within Hayle. In contrast our retail study is showing a higher turnover level for the out of centre Lidl store in Hayle. These turnover levels should be compared with the WYG figures which are based upon a different household survey undertaken in 2009 and which show the Co-Op having a much lower turnover of £5.3 million. The WYG figures show Lidl having a similar turnover to the level predicted by the draft Cornwall Retail Study, the M&S having a turnover level midway between our and SP's estimates and a low £0.5 million turnover for other convenience stores in Hayle.
- 3.23 We consider that, as a starting point, all three surveys should be used as the basis for assessing trade diversion and impact levels and it is advisable to test the impact of retail proposals against each set of turnover levels. However, the 2007 household survey may attract less weight given that it is slightly older and was conducted prior to the extension of the Lidl store and the opening of the M&S store at West Cornwall Retail Park.
- 3.24 The statistical assessment of trade diversion provided by SP concentrates upon expenditure which is generated by residents of SP's study area which is currently flowing to stores within Hayle and surrounding settlements and the proportion of the proposed developments turnover which will be drawn from residents of the study area. On this basis, SP estimate that 8% (or

£1.82 million) will be diverted from the Co-Op store in Hayle which, on the basis of SP's turnover levels, will lead to an 18% impact upon the 2014 turnover of that store. SP also predict that £0.77 million will be diverted from the Lidl store, leading to a 21% impact, and £1.02 million will be diverted from the Marks and Spencer's store at West Cornwall Retail Park, leading to an impact of 18%. Turning to settlements elsewhere, SP predict that £0.1 million of convenience expenditure will be diverted from stores within St Ives Town Centre, which will lead to impacts of under 4% at 2014. £0.87 million will be diverted from the Tesco store at Carbis Bay, leading to an impact of 12% on the store.

- 3.25 SP predict that significant levels of diversion will occur from stores within Penzance, including £2.2 million from the Tesco and £2.6 million from the Morrison's stores. £6 million will be diverted from the Tesco store in Camborne, plus £1.8 million from the Tesco Extra in Pool, and £0.3 million from the Tesco store in Helston. Overall, 20% of the study area turnover of the proposed store is predicted by SP to divert from stores in Hayle and St Ives and Carbis Bay, whilst 54% will be diverted from stores in Penzance, Camborne, Pool and Helston. A further £2.7 million of expenditure is shown within SP's analysis to be diverted from other defined stores within the study area.
- 3.26 In addition, the basis for SP's assessment at its Table 10 (Appendix 7) is to exclude the proposed store's trade draw from outside of the study area. It is unclear why this approach has been taken given that SP include turnover drawn from outside the study area for existing stores. Therefore, it would appear that the SP analysis has been undertaken on an inconsistent basis or SP are assuming that all of the turnover attracted to the proposed store from outside the study area is not currently being spent in convenience stores in West Cornwall. We consider that the second of these possibilities is an unreasonable approach to take.
- 3.27 Also, we note that SP have used a sales density of £11,500/sq m for the proposed convenience floor space. In our opinion, where there is no named operator with a scheme, a worse case assessment should be adopted and also, given that Sainsbury's, ASDA and Morrisons are aligned to other sites within the town, a sales density for Tesco should be adopted in this instance. That aside, we also note that whilst the convenience goods floor area of the South Quay store is similar to the size of the Sainsburys proposal, its turnover is some £3-6m higher depending on whether our or SP's turnover level is adopted. These turnover levels are based upon the company average performance levels which provide a useful guide as to the relative performance levels Tesco and Sainsburys. Not all foodstores trade in line with company average performance levels and, as a consequence, company averages are commonly used as an appropriate and reasonable guide. However, in this instance, adopting two differing convenience turnover levels for stores of a similar size may cause confusion. This may also be the case for the comparison element of the store,

although we note that the Sainsburys floorspace is slightly smaller than the South Quay scheme. Therefore, whilst we continue to adopt a Tesco trading density for the purposes of assessing impact in this section of the report, we consider it appropriate for our summary and conclusions section to assume that the Sainsburys and South Quay turnover levels represent the higher and lower end of turnover for these two proposals.

- 3.28 We have considered the trade diversion levels suggested by SP having regard to the location and retail offer of competing stores, plus the market share levels of existing stores provided by SP's assessment. When undertaking our analysis, we have removed any potential inconsistency within the SP analysis and included the contribution that expenditure inflow (from outside of the study area) makes to the turnover of existing stores and the proposed store. Our own analysis of trade diversion takes into account the following factors: the current market share of existing facilities across each zone in the study area; the likely trade draw to the proposed store from each of the study area zones; plus, the location, size and trading profile of competing facilities.
- 3.29 Following our detailed analysis of these issues, we consider that the trade diversion levels suggested by SP from the out of centre M&S store and other smaller convenience stores in Hayle to be reasonable. The trade diversion level given by SP from the out of centre Lidl store in Hayle (£0.77m) is likely to be an under-estimate and we consider that diversion may be closer to £1.3m. However, we consider that SP's trade diversion estimate of £1.82m from the Co-op store in Hayle is a significant under-estimate and a diversion level of circa £4.2m is a more reasonable estimate having regard to the Co-op's current trading performance and market share and its proximity to the proposed store at South Quay. The Co-op store in Hayle is a popular main and top-up food shopping destination, selling a moderate range of products, and attractive to both car and walk-in trade. Therefore, SP have in our opinion under-estimated the transferral of trade from the Co-op to the proposed foodstore at South Quay.
- 3.30 This level of diversion would, on the basis of SP's turnover figures, lead to a 41% impact upon the 2014 trading performance of the Co-op store, which is over twice the level of impact estimated by SP. Based on SP's turnover figure, the Co-op store is over-trading and our estimated level of impact would take the store back to just above company benchmark levels. On the basis of these figures there is no certainty that the Co-op would close although, given the severity of loss of turnover, its future viability would be a cause for concern. However, importantly, this level of diversion would have a significant impact upon the level of shoppers visiting that store and Copperhouse centre. The level of impact on smaller stores in Hayle's defined centres is smaller, at 15%, although we consider that it would take the turnover of these stores slightly below a reasonable benchmark turnover level.

Table B: GVA trade diversion estimates from Hayle convenience stores to South Quay scheme
– Strategic Perspectives market share information

Store	2014 pre-impact turnover (£m)	Trade diversion to proposed store (£m)	2014 post-impact turnover (£m)	Impact on 2014 turnover %
Co-op	10.2	4.2	6.0	-41
Other convenience stores in Hayle	2.1	0.3	1.8	-15

- 3.31 Alongside the analysis provided by SP, and given the age of the household survey adopted within SP's analysis, we have also assessed diversion against the market shares and turnover levels predicted by the draft Cornwall Retail Study. The Retail Study incorporated a household survey conducted in 2008 and provides a separate set of market share data for stores in Hayle and across west Cornwall. As a consequence, the Retail Study survey information shows difference performance levels and market shares of store across the West Cornwall area. Taking account of these alternative market share levels, plus the location and retail offer of competing stores, we consider that around £3.1million will be diverted from the Co-Op store which would equate to a 31% impact at 2014 turnover levels. Around £1.4million would be diverted from the out of centre Lidl store and £0.2 million from the Marks and Spencer at West Cornwall Retail Park. Around £0.2 million is expected to be diverted from other convenience facilities within the centres in Hayle which would equate to a 16% impact on their 2014 turnover levels.
- 3.32 Therefore, based on the market shares being used to inform the emerging Cornwall Retail Study, we consider that that level of impact on smaller convenience stores in Hayle's centres will be similar to the level of impact suggested by SP. However, the Retail Study survey indicates a lower turnover level for these stores which may be a concern (including the potential for store closures). As a consequence of these performance levels, we suggest a need for diversion levels to a minimised as far as possible. Using the Retail Study survey, the impact on the Co-op store is lower at 31%, although nevertheless remains significant and, due the lower turnover level predicted by the Retail Study, the post-impact turnover of the Co-op is similar to that predicted as part of our re-assessment of the SP analysis.
- 3.33 To reiterate, the above impact levels (within our own analysis) are based on a higher sales density for the convenience floorspace element of the proposed store than used by SP. However, if SP's density is used, the impact figures remain broadly the same, albeit slightly lower, although our observations on the scale of impact do not alter.

Table C: GVA trade diversion estimates from Hayle convenience stores to South Quay scheme – Cornwall Retail Study market share information

Store	2014 pre-impact turnover (£m)	Trade diversion to proposed store (£m)	2014 post-impact turnover (£m)	Impact on 2014 turnover %
Co-op	9.6	3.1	6.5	-32
Other convenience stores in Hayle	1.4	0.2	1.1	-16

- 3.34 Whilst there is a need to consider impact of the proposal on the total turnover of the town centre, PPS4 also asks for an assessment of the impact on the range and quality of the convenience and comparison retail offer. We consider that both the upper and lower levels of impact are significant and are a negative aspect of the proposed development under the impact test as outlined in Policy EC16.1 of PPS4. These conclusions are now taken forwards and considered as part of the other financial impacts (both negative and positive) of the scheme.
- 3.35 Turning to the assessment of trade diversion to the comparison goods element of the proposed store at South Quay, SP estimate that only 2% (£0.12m) will be diverted from stores within Hayle's centres, plus £2.74m (33% of the store's comparison turnover) from out of centre stores in Hayle, primarily West Cornwall Retail Park. SP predict that the remaining elements of the store's comparison turnover will be diverted from St Ives town centre (£0.17m), the Tesco in Carbis Bay (£0.83m), £1.87m from supermarkets in Penzance and a further £1.3m from undefined stores. In addition, like the convenience trade diversion assessment, SP show 15% of the store's turnover being drawn from outside of the study area, although this leads to either an inconsistent analysis (as the study area turnover of the proposal is assessed against the total turnover of existing stores) or SP are assuming that none of the turnover which the new store attracts from outside of the study area is currently spent in stores in the local area. We consider it unreasonable to assume that none of the expenditure which the proposed store may attract from outside the study area is currently being spent in local stores and, as a consequence, we consider that the SP analysis requires re-assessment.
- 3.36 Regarding the level of trade diversion from existing comparison goods stores within the Hayle's centres we have taken into account current shopping patterns and the market shares of existing facilities plus the extent of trading overlap between the proposed store and existing facilities. We have also taken into account the possibility that the survey results may confuse in-centre and out-of-centre locations within Hayle, to the extent that survey respondents who

state 'Hayle' as their comparison goods shopping destination may refer to a range of stores in the town and not just the town centre.

- 3.37 Therefore, it is useful to compare the turnover levels predicted by SP against the draft findings of the Cornwall Retail Study. This shows that SP predict all stores in Hayle to attract £16.5m of comparison goods expenditure from their study area and the draft Retail Study predicts a turnover of £14.7m from the wider Cornwall area. The source of the SP turnover levels is not provided, although we consider that these are not dissimilar levels of turnover (excluding tourist expenditure). SP's predictions for expenditure inflow are also similar to our own predictions within the 2007 PRS report. No further comparison can be with the WYG analysis submitted on behalf of Sainsburys as WYG do not provided a detailed comparison goods turnover assessment.
- 3.38 Therefore, we consider that the turnover levels of existing stores provided within Table 5 (Appendix 8) of the SP report are a reasonable starting point for the impact assessment. Turning to the level of trade diversion from existing facilities, we agree with the broad thrust of the SP analysis which suggests that the majority of the proposed store's comparison turnover will be diverted from out of centre stores in Hayle and stores in other centres. However, given the location, scale and likely content of the proposed store, we consider that SP's prediction of only 2% (£0.12m) being diverted from town centre stores is at the lower end of expectations and under-estimates the diversion of trade from existing facilities. In addition, we consider that SP's sales density for the comparison element of the store is too low in order to provide a worst-case assessment. As noted in our assessment of convenience trade impact, a Tesco sales density should be adopted and, for comparison goods, this should circa £9,000/sq m.
- 3.39 Having regard to the likely content of the comparison goods element of the proposed store, we consider that a sensitivity test, whereby around 5% of the proposed store's comparison turnover is diverted from stores in Hayle, should be assessed. This would lead to a diversion level of around £0.5m and would be equivalent to a 15% impact, based upon SP's turnover levels for Hayle's centres. This would leave comparison retail floorspace in Hayle's centres trading at around £1,600/sq m which is considered to be low for the town of this scale although, on its own, we do not consider that the comparison goods impact on Hayle's should be cause for concern.
- 3.40 Overall, however, we consider that the proposed store is likely to divert a significant amount of expenditure, particularly convenience goods expenditure, from stores in Hayle's centres as a whole. Based upon our own re-assessment of the SP analysis, plus a further analysis based on the findings of the draft Retail Study, we consider that the centres in Hayle will lose between one quarter and one third of retail expenditure as a result of the proposed development, rather than the 14% total impact suggested by SP. We consider this to be a

negative impact of the proposal, which must be balanced against the other indicators of impact, including potential financial spin-off benefits associated with the proposed store.

Policy EC16.1 (e) – Whether the proposal is of an appropriate scale in relation to the size of the centre and its role in the hierarchy of centres

- 3.41 Regarding the scale of the proposed development, SP note that to stem the current leakage of expenditure outside of Hayle there is a clear requirement to provide a quality food store in or close to the town centre with the necessary critical mass of retail sales that responds to and satisfies customer demand in terms of the range and choice of products needed to undertake main bulk feed shopping purchases. SP also note that the proposed foodstores convenience goods sales area is necessary to sell the range and depth of food products currently available in dominant out of centre super stores and supermarkets outside the primary catchment area. SP go on to note that the store will also include a small quantum of comparison goods floor space which is needed to complement the proposed stores convenience offer as shoppers expect to purchase certain types of comparison goods whilst undertaking their main food shopping trip. SP also make reference to in store facilities and the layout of the store, plus the location and number of car parking spaces as a further requirement to stem the current leakage of shopping trips. SP conclude that a food store with a reduced critical mass (in terms of its floor space offer and car parking provision) would not be able to achieve the necessary claw back of shoppers and expenditure from competing out of centre stores.
- 3.42 The Practice Guidance on Need, Impact and the Sequential Approach (issued at the same time as PPS4 in December 2009) indicates that an indicator of the appropriateness of a proposal scale is whether there is a demonstrable need based on current / forecast expenditure and current market shares. The guidance goes on to note that where a significant increase in market share and/ or an extension of the town centre catchment area is required to support the scale and form of development proposed it may be relevant to consider the impact of such an increase on neighbouring centres.
- 3.43 Having regard to the quantitative need exercise undertaken by SP we note that SP expect the South Quay store to increase the market share of Hayle stores in Zones 1-5. The largest increase in the market share will occur in Zones 2 and 3, although there will also be increases in the attractiveness of Hayle stores to the resident populations of Zones 1, 4 and 5. Within our 2007 retail study we modelled a theoretical market share of 70% for Zone 3 (the zone in which Hayle sits, with no increases in surrounding zones), although no specific proposal was available for assessment at that time. However, in order to demonstrate quantitative need (or sufficient expenditure capacity) for the proposed store, SP are also showing significant levels of convenience goods expenditure being drawn from residents of other areas of West Cornwall. For example around £3.4 million is expected to be drawn from residents of Zones

1, 4 and 5. This is in addition to the 15% of the proposed store turnover which SP predict will be drawn from outside of the study area (including tourism expenditure).

3.44 Overall the changes in market share and increases in convenience expenditure flow into Hayle stores shown by SP is higher than that tested as part of the 2008 retail study and which forms the basis for our retail strategy. In addition, and having regard to our own assessment of trade draw and trade diversion outlined earlier in this section we would suggest that the increases in market share predicted by SP in both the primary catchment area and other parts of the study area are higher than the levels which may actually occur. In addition, we consider that the benchmark turnover, given by SP for other convenience stores in Hayle is too low and should be closer to £2.1 million rather than a £1.32 million shown by SP. Based upon our reworking of the SP trade draw and trade diversion assessment we consider that around £29.1 million of expenditure from the primary catchment area will flow to Hayle after the addition of the South Quay store, plus a further £2.5 million from other parts of the study area. In addition, we consider the benchmark turnover of existing stores should be closer to £13.5 million rather than the £12.7 million shown by SP. If all of these figures are inputted into the capacity assessment then there will be £18 million of surplus convenience goods expenditure by 2014 which is lower than the study area derived turnover of the South Quay store. In addition, and as already noted earlier in this section, we consider that the benchmark turnover of the proposed store as shown by SP in Table 4 is also too low and a density based on Tesco's performance should be used. As a consequence we consider the total convenience goods turnover of the proposal should be £26.5 million, and, on the basis of an 85% study area derived turnover, the study derived turnover of the store will be £22.5 million. Therefore, we are of the opinion that, based on the information provided within the SP report plus our initial analysis there may not be sufficient forecast expenditure to accommodate the whole of the turnover of the proposed store. This suggests that the scale of store may be too large for the capacity of the local area.

3.45 Turning to the analysis provided by SP in relation to scale, we note the analysis which is provided by SP in relation to a certain size of store being required in order to claw back shopping trips which are currently lost from the Hayle area. However, we do not consider that the analysis provided by SP in its Section 7 fully justifies why the sales area of a new foodstore within Hayle needs to be at least 3,159 sq m net. We are of the opinion that a smaller scale of store is also capable of fulfilling a main bulk food shopping role and achieving the objective of retaining the majority of convenience shopping trips within the Hayle area. As a consequence we have not placed significant weight on the statements made by SP in relation to scale.

3.46 Overall and having regard to the foregoing analysis we consider that SP's retail assessment has not justified that the proposal is of an appropriate scale in relation to the size and role of

Hayle. We consider that a smaller store would still provide significant qualitative improvement to the convenience retail offer in Hayle and still be able to provide the main bulk and top-up food shopping needs of Hayle residents plus being of an appropriate scale to the role and function of Hayle in the wider area. This in turn could have a smaller impact upon the trade turnover in Hayle Town Centre.

Policy EC16.1 (b) – Impact on Town Centre

- 3.47 In order to judge the impact of a proposed store on the vitality and viability of Hayle centres, a number of factors should be taken into account; direct financial impact, potential spin-off/linked trip benefits, and impact on choice and competition.
- 3.48 As already noted between 30% and 40% of the turnover of the Co-Op within Copperhouse and between one quarter and one third of the turnover of the retail sector in Hayle's centres, could be diverted to the proposed store at South Quay. We consider this to be a negative impact of the scheme. However, it should also be balanced against the potential for the proposed store to bring additional shoppers into the town centre via the provision of linked trips between the store and existing facilities.
- 3.49 In terms of the potential for spin-off benefits from the proposed store limited analysis is provided within the SP report. At paragraph 9.31, SP admit that their impact forecasts do not assess the economic benefits that will accrue to existing shops and businesses from the proposed store. However, SP go on to conclude that they consider that these benefits will mitigate any potential negative impact. Without undertaking the necessary analysis we struggle to see how this conclusion can be reached. Whilst there is potential for some linked trips to occur between the proposed store and Foundry Centre, given the location of the application site, the actual level of linked trips and their financial impact will depend upon the scale of the store and the product range it contains, plus the number of trips made to the store and the overall attractiveness of the centre. Moreover, the larger the store the less likely it is for linked trips to be made. Given that there is a need to compare and contrast the impacts associated within this planning application against the Sainsbury's planning application and potentially further applications that will be submitted in the future, we consider that further evidence of the impact of linked trips should be submitted to the local planning authority. As a consequence we consider that the information offered by SP so far cannot be given much weight in the overall assessment of impact and further information should be submitted.
- 3.50 A further matter to consider would be the proposal's impact on local consumer choice in the range and quality of the convenience and comparison retail offer within the town. We consider that the proposed store at South Quay would widen the range of convenience and comparison goods available within Hayle and have the potential to benefit consumer choice.
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Indeed, leaving other matters to one side it has the potential to encourage a greater proportion of local population to undertake their main bulk food shopping within Hayle, this would be a positive aspect of the proposed development. However, widening choice by providing new retail facilities should not be at the expense of significant financial impact on existing facilities and a significant reduction in the footfall in Hayle's centres.

- 3.51 Taking account of all the above factors, plus our findings in relation to the scale of the proposed development, we consider that the proposed development has the potential to affect the vitality and viability of Hayle's town centre. This conclusion is reached based on the level of trade diversion from the town centres and the turnover/ scale of the proposed development, plus the lack of sufficient justification and quantification of potential financial spin-off benefit from the store.

Policy EC10.2 (a) & (b) Carbon Dioxide Emissions and Accessibility

- 3.52 With the supplementary information submitted by SP, reference is made to chapter 15 of the submitted Environmental Statement. CC officers will be making a detailed assessment of the ES although we have referred to chapter 15 of the ES and note that it relates to on-site energy use rather than energy use related to length and location of shopping trips. Therefore, in terms of the ability of the development to claw back shopping trips which are currently lost to other settlements and the effect that this has on carbon dioxide emissions, no information has been supplied by the applicant.

- 3.53 In terms of accessibility, the CC officers will receive separate detailed advice from the local highway authority on the effect of the proposal on local traffic levels and congestion, plus its accessibility by a choice of means of transport. In terms of wider accessibility issues, we consider that the store will offer the potential for a greater proportion of the local population to shop within the town for convenience shopping. This should be seen as a positive aspect of the proposed development although, as already noted, we do have some concerns over the scale of the proposed store. We also have some observations to make regarding the linkages between the site and Foundry town centre and these are discussed in the heading of 'design'.

Policy EC10.2 (c) - Design

- 3.54 CC officers will be making a detailed assessment of the ability of the proposal to secure a high quality and inclusive design and its effect upon the character and appearance of the local area. We are of the view that consideration of design should extend beyond the site of the proposed store and car park and also examine the link between the site and the remainder of Foundry town centre. In particular, there is a need to ensure that the links between the store and the town centre and provide attractive and easily accessible routes for pedestrians

wishing to undertake linked trips. This is particularly important, given the scale of impact of the proposed development upon the health of the centre. We note that public realm improvements are proposed around Isis Gardens and these are to be welcomed, although we would encourage CC officers to work with the applicant to investigate opportunities to improve pedestrian linkages with the centre (and which may also extend to other parts of the public realm within the town centre). For example, we note that the previous mixed use outline planning application proposed pedestrian bridges from South Quay across Penpol Creek to Penpol Terrace. We consider that such links would improve accessibility.

Policy EC10.2 (d) & (e) – Impact on economic and physical regeneration and local employment

- 3.55 SP indicate that the proposed store at South Quay would provide job opportunities to the local population and act as a catalyst for the regeneration of the wider harbour area. In response, we accept that the proposal would provide for new employment opportunities in Hayle, which may be a positive factor in favour of the development, but this should be balanced against job opportunities which may be lost as a result of trade diversion. Regarding investor confidence, CC officers will need to consider whether this application represents a stand-alone proposal unconnected with other parts of the harbour area or whether the proposal is able to deliver the benefits for the wider harbour area which were proposed as part of the previous mixed use outline planning application.

4. THE RETAIL PLANNING POLICY ISSUES – THE SAINSBURYS APPLICATION

Introduction

- 4.1 This section of our advice report examines the salient retail planning policy issues associated with the Sainsbury's application and concentrates upon the sequential approach to site selection (examined within Section 7 of the WYG report) and the assessment of impact (contained within Section 8 of the WYG report). In light of the publication of PPS4, we have set aside WYG's assessment of need as a separate policy test.

The Sequential Approach to Site Selection

- 4.2 A useful starting point for the assessment of the sequential approach to site selection is the classification of the Sainsbury's application site. In the introductory paragraph of the WYG report it is confirmed that the Sainsbury's application site lies within an out of centre location. We have undertaken our own assessment of the distance between the application site and the defined town centre in Copperhouse and have found that the site lies over 1,000 metres from this designation. Therefore the site clearly falls within the out of centre classification as defined by PPS4.
- 4.3 On the basis of its out of centre classification there is a need for the local planning authority to assess whether there are any in centre or edge of centre sites which are capable of accommodating the proposed development (taking account of flexibility as required by PPS4). Within the WYG assessment, seven other locations have been identified and these are outlined below:
- Hayle Harbour side, South Quay
 - Hayle Harbour side, North Quay
 - Jewson
 - Jewson and South Quay combined.
 - R&J Supplies
 - Loggons Moor

- Hayle Rugby Club

- 4.4 Whilst WYG have made an assessment of each of these sites they note that it is inappropriate to require the applicant to consider North Quay Loggons Moor or Hayle Rugby Club because these sites are in out of centre locations and as such they cannot be sequentially preferable to the application site. We would dispute this conclusion on the basis of advice within Policy EC5.2 of PPS4. Part C of the policy notes that when considering out of centre sites, preference should be given to those which will be well served by choice of means transport and which are closest to the centre and have a higher likelihood of forming linked trips within the centre. Therefore, we consider it inappropriate to rule out North Quay, Loggons Moor or Hayle Rugby Club simply because they also attract an out of centre classification.
- 4.5 Regarding South Quay, WYG note that development for a foodstore would result in the loss of committed residential units and would conflict with the mixed use development requirements of the allocation of the site in the Local Plan. In addition, WYG note that the site is contaminated and extensive repairs to the harbour wall are required, plus flood defence works. WYG also note that the site is assumed to be available for foodstore development.
- 4.6 WYG conclude by noting that the South Quay site is unsuitable for a foodstore by virtue of the policy and guidance which seeks to protect the WHS, the conservation area, the listed building and other interests of acknowledged importance. WYG also appear to question the commercial attractiveness of this site and any smaller store (which may ultimately be acceptable) would not meet the identified need.
- 4.7 In response, we would note that South Quay represents an 'in principle' sequentially preferable site within Hayle for foodstore development. However, other non-retail policy factors will ultimately decide whether the South Quay site is suitable and viable for foodstore development. This will include, but may not be limited to, the impact of a large foodstore unit and surface level car park on the character and appearance of the surrounding area, including the listed building.
- 4.8 WYG also identify the need for significant access and transportation improvements as part of the delivery of the South Quay site, although do not consider that such improvements are unique to this site and are also likely to be required for other sites seeking permission for such a use.
- 4.9 In relation to the Jewson site, WYG question its availability on the basis of the existing occupier, they also question viability on the basis of ground contamination and relocating the existing use. WYG also question the size of the site in relation to its ability to accommodate a

foodstore to meet the identified need, plus constraints in relation to the on-site listed building, the conservation area and WHS status.

- 4.10 In response to the WYG analysis of the Jewson site, our preliminary comment is that it is a sequentially preferable location to the Sainsburys site. In addition, we are aware of a forthcoming planning application for a foodstore use and therefore do not place significant weight by WYG's comments on its availability. On this issue, CC should await the content of the forthcoming application and determine whether this site is likely to be available within a reasonable period of time.
- 4.11 Having regard to the suitability of the site, CC will need to reach its own view on issues such as the impact of a foodstore development on the character and appearance of the surrounding area. There is no certainty that a foodstore use on the site will be deemed suitable although WYG's analysis does not provide any meaningful analysis to support an 'unsuitability' argument. Furthermore, WYG's suggestion that the Jewson site is too small and not viable is not supported by any reasoned justification. Therefore, on the basis of WYG's analysis we do not consider that the Jewson site can be ruled out as a suitable, available and viable alternative site to the proposed development at Marsh Lane (taking into account flexibility) and therefore this planning application has not yet met the sequential approach to site selection.
- 4.12 Regarding the amalgamation of the Jewson and South Quay sites, our previous comments in relation to these two sites suggest that their amalgamation may also lead to a suitable, available and viable sequentially preferable site. However, we acknowledge that the ability of the landowners to work together may be a constraint to development. Nevertheless, this area in totality should not be ruled out in terms of the sequential assessment.
- 4.13 Regarding the other sites included in the WYG sequential assessment:
- North Quay. This site is further away from the existing town centres than the South Quay and Jewsons sites and, given that these sites not yet been ruled out as part of the sequential assessment, North Quay has not been given detailed consideration. Should the South Quay and Jewson sites be ruled out then we need to give further consideration to this location as a potential foodstore development site.
 - R&J Supplies. This site is sequentially preferable to the Sainsburys application site, however, we have already ruled out this site as a potential alternative for foodstore development due to its size.
 - Loggans Moor. This site lies a similar distance from the defined town centres in Hayle as the Sainsburys planning application site. It does have an advantage over the application

site given that linkages with the defined centres do not need to cross the A30. However, despite this characteristic, we do not consider that this site lies in a sequentially preferable location to the Sainsburys site.

- Hayle Rugby Club. This site lies adjacent to the Sainsburys application site and we do not consider its lies materially closer to the defined centres in Hayle than the application site. Therefore, the Rugby Club's performance against the sequential approach will mirror the performance of the Sainburys site.

4.14 Overall, we consider that both the South Quay and Jewsons site offer 'in principle' sequentially preferable locations over the Sainsburys planning application site. However, the ability for the Sainsburys application to either comply or conflict with the sequential approach to site selection may depend (in part) upon CC's view on whether the South Quay and Jewsons sites can provide a suitable alternative locations for foodstore development, taking into account flexibility on scale, format and car parking provision. It is our view that these can accommodate the physical scale associated with foodstore proposals, although their overall suitability will depend upon *inter alia* the ability to provide a design of store which is suitable in terms of its impact on nearby listed buildings, the character and appearance of the Conservation Area and the WHS. Depending on CC's consideration of the overall suitability of the South Quay and Jewsons sites to accommodate foodstore development, there are two potential outcomes:

- If CC conclude that there is the potential for the South Quay and/or Jewsons sites to accommodate a foodstore development of an appropriate scale (taking appropriate account of the need for flexibility and CC's determination of the current ING planning application on the South Quay site, including consultation responses received), then we would conclude that the current Sainsburys site fails the sequential approach to site selection as set out in the development plan and PPS4.
- Alternatively, if CC consider that the South Quay and Jewsons sites cannot (either individually or together) accommodate (under any reasonable circumstances) a foodstore development of an appropriate scale (taking appropriate account of the need for flexibility), and no other edge of centre sites can be identified, then the Sainsburys application has the potential to meet the sequential approach.

The Assessment of Impact

- 4.15 WYG's assessment of impact of the proposed Sainsburys store is contained in Section 8 of its Retail Assessment. The assessment is structured to follow PPS6 and draft PPS4 guidance, including parts 3 and 4 of Policy EC20. The final version of PPS4 has now been published and the criteria within Policy EC20 have been reorganised into policies EC10.2 and EC16.1. Reference should therefore be made to both of these parts of PPS4, although the assessment provided by WYG covers all of the necessary criteria.

EC16.1 (a) The impact of the proposal on investment

- 4.16 Regarding the potential for the Sainsburys scheme to impact upon planned investment, the WYG analysis focuses upon the Hayle Harbour mixed use scheme which Penwith District Council resolved to grant outline planning permission for in 2009. WYG note that the Sainsburys store and the harbour scheme are different in nature, scale and function and the proposed foodstore would not prejudice investment in that proposal. WYG also note that the proposed Sainsburys store may actually have a positive impact upon the harbourside investment.
- 4.17 In response to the WYG assessment, we do not share WYG's optimism regarding the impact of the proposed Sainsburys store. We consider that if modest sized convenience retail outlets were to be included in the previous harbour scheme, as suggested by the supporting information with the previous application, then their attractiveness would be damaged by an approval of the Sainsburys store.
- 4.18 Within their Retail Assessment, WYG do not deal with the impact of the proposed Sainsburys on proposals in the centre of Hayle. Whilst detailed information may not have been available to WYG at the time of writing their report, this is a matter which should be given full consideration. We consider that the approval of a foodstore in a out of centre location on the edge of the Hayle urban area close to the A30 has the potential to seriously undermine the delivery of a foodstore scheme on the edge of Foundry centre. There is a finite level of available expenditure within Hayle and a centrally located foodstore would find it hard to compete with another store with direct access from the A30. Therefore, we consider that where there is a sequentially preferable site on the edge of Foundry centre which can provide an acceptable foodstore scheme (in development management terms), there is a possibility that the Sainsburys scheme would have a detrimental impact upon planned investment.

Policy EC16.1 (c) – the impact on allocated sites outside of town centres being developed in accordance with the development plan

- 4.19 Our views in relation to this impact test mirror those expressed in relation to Policy EC16.1(a) above.

Policy EC16.1 (d) – the impact of the proposal on in-centre trade/turnover and trade in the wider area

- 4.20 In response to this criterion, WYG provide an analysis within Section 8 of their report, supplemented by a statistical assessment at Appendix G of their report. However, the WYG assessment of trade diversion deals with the financial impacts of the convenience and comparison elements of the proposed store combined. Whilst this is an important part of the overall assessment of impact we consider that individual assessments for convenience and comparison shopping are also required. A request for this information was made to WYG in January 2010 although a response containing the necessary information has not been received at the time of writing this report. Therefore, for the purposes of this advice report, we have undertaken an interim assessment of the trade diversion to the proposed Sainsburys store and its financial impact upon the trade/turnover of in-centre stores.
- 4.21 As a starting point for the analysis, the turnover of the proposed store should be established. WYG's assessment indicates that whilst the convenience goods floor area of the Sainsburys store is similar to the size of the South Quay proposal, the turnover is some £3m lower than the figure provided by SP and £6m lower than used by ourselves. This is because a Sainsburys trading density has been adopted for the Marsh Lane site and we have adopted a Tesco trading density for the South Quay site. This issue has been highlighted in the previous section of our report and, therefore, whilst we continue to adopt the Sainsburys turnover proposed by WYG for the purposes of assessing impact in this section of the report, we consider it appropriate for our summary and conclusions section to assume that the Sainsburys and South Quay turnover levels represent the higher and lower end of turnover for these two proposals.
- 4.22 We have, like our assessment of the South Quay scheme, considered the trade draw to the proposed Sainsburys store and trade diversion to the store based upon its size, the market share of existing facilities and the retail offer of competing facilities. Our trade diversion assessment has also considered the market share and shopping patterns information provided by the SP analysis (for ING) and our own draft Retail Study. It has not considered the household survey information underpinning the WYG assessment, given that WYG have not provided detailed shopping patterns information as part of its quantitative and trade diversion analyses. Should they wish to do so, we would be happy to consider it.

- 4.23 On the basis of the above factors we consider that a store of the convenience goods turnover predicted by WYG will divert between 25%-32% of the turnover of the Co-op store and between 12%-13% of the turnover of other convenience stores in Hayle's centres. In financial terms, this represents between £2.4m-£3.3m of lost trade for the Co-op and £0.2m from other convenience stores.

Table D: GVA trade diversion estimates from Hayle convenience stores to Sainsburys schme – Strategic Perspectives market share information

Store	2014 pre-impact turnover (£m)	Trade diversion to proposed store (£m)	2014 post-impact turnover (£m)	Impact on 2014 turnover %
Co-op	10.2	3.3	6.9	-32
Other convenience stores in Hayle	2.1	0.2	1.9	-12

Table E: GVA trade diversion estimates from Hayle convenience stores to Sainsburys schme – Cornwall Retail Study market share information

Store	2014 pre-impact turnover (£m)	Trade diversion to proposed store (£m)	2014 post-impact turnover (£m)	Impact on 2014 turnover %
Co-op	9.6	2.4	7.2	-25
Other convenience stores in Hayle	1.4	0.2	1.2	-13

- 4.24 As noted earlier in this advice report, significant levels of trade diversion are expected from the Co-op store due to its existing popularity for convenience shopping in the local area and the moderate range of convenience products which it sells. In relation to the Co-op store, these levels of trade diversion are lower than those predicted for the higher store turnover associated with the South Quay site (due to a lower total turnover) although they nevertheless remain significant in our opinion and are likely to remove a significant number of shopping trips from Hayle's centres. Removal of a significant number of shopping trips to Hayle's centres has the potential to have an impact upon the vitality and viability of the town centres. In addition, the Sainsburys proposal, given its location on the edge of the urban area, with poor pedestrian linkages, is unlikely to provide the ability to encourage linked trips with the existing centres in Hayle in the same way that edge of centre sites in Hayle are able to.

- 4.25 In relation to the comparison goods floorspace element of the proposed Sainsburys, we predict a similar pattern of trade diversion to that outlined for the South Quay proposal and therefore we would expect around £0.5m to be diverted from stores in Hayle's centres. This

would produce a 15% impact on the 2014 turnover levels of comparison floorspace in Hayle's centres.

- 4.26 Overall, based on the above trade diversion levels for comparison and convenience shopping expenditure, we predict that between one fifth and one quarter of all retail expenditure flowing to town centre stores in Hayle would be diverted to the proposed Sainsburys store. These levels of impact should now be balanced against other impacts of the scheme (as outlined in EC16.1 and EC10.2 of PPS4) in order to reach an overall judgement on the impact of the proposal.

Policy EC16.1 (e) – Whether the proposal is of an appropriate scale in relation to the size of the centre and its role in the hierarchy of centres

- 4.27 Given that the Sainsburys planning application site lies in an out of centre location, this test of impact is not relevant to this proposal. However, whilst it cannot form part of the formal assessment, it is useful to reiterate the comments made in relation to the South Quay application in relation to the scale, including available expenditure capacity in Hayle.

Policy EC16.1 (b) – Impact on Town Centre

- 4.28 In order to judge the impact of the proposed Sainsburys on the vitality and viability of Hayle town centre, a number of factors should be taken into account: direct financial impact; potential spin-off/linked trip benefits; and, impact on choice and competition.
- 4.29 As already noted, we consider that the proposed Sainsburys store (on the basis of the turnover level put forward by WYG) has the potential to remove between one fifth and one quarter of retail expenditure which would otherwise flow to stores in Hayle's two town centres. We consider that this is a negative impact of the scheme, particularly as it would be likely to remove a significant number of shopping trips from both centres. However, this should be balanced against the potential for the proposed store to retain additional shoppers within the town and the potential for linked trips between the store and the town centre to occur.
- 4.30 In terms of the potential for spin off benefits, no analysis is provided by WYG within its Retail Assessment. In our view, whilst the proposed store will retain more convenience and (to a lesser extent) comparison shopping trips within Hayle, it is unlikely to offer any significant spin-off benefits and linked walking trips with the town centres. We have reached this view having regard to the distance between the Sainsburys application site and the town centres in Hayle, the attractiveness of linkages with the centre, the barriers to movements (including the A30) and the scale of existing retail provision within the town centre. As a consequence, the direct impact from the proposed store (via diversion of convenience shopping trips) upon the

level of footfall within the town centre is unlikely to be mitigated to any significant extent by any increasing footfall as a result of linked trips.

- 4.31 A further matter to consider will be the proposal's impact upon local consumer choice and the range and quality of the convenience and comparison retail provision. We consider that the proposed Sainsburys store will widen the range of convenience and (to a lesser extent) comparison good available within Hayle and it has the potential to encourage a greater proportion of the local population to undertake their main/bulk food shopping within Hayle. This will be a positive aspect to the proposed development. However, in this case widening choice will be accomplished within an out of centre store which has a poor relationship to the rest of the Hayle urban area and which will have a significant financial impact upon trade/turnover within the town centres.
- 4.32 Taking account of all of the above factors, we consider that the proposed development will have a negative impact upon the vitality and viability of Hayle's town centres. This conclusion is reached based on the level of trade diversion from town centre stores, its separation from the town centres and the low propensity for linked trips between the store and the centres.

Policy EC10.2 (a) & (b) Carbon Dioxide Emissions and Accessibility

- 4.33 Having regard to the impact of the proposal on carbon dioxide emissions, CC will need to take into account the energy permission characteristics of the proposed retail unit. WYG also indicate that the development will reduce the number of journeys made and also attract a high level of linked trips with the nearby West Cornwall Retail Park.
- 4.34 In response to the WYG analysis, we do not agree that it will reduce the number of journeys made although we do accept that it may reduce the length of journeys. However, WYG do not quantify this within their Retail Assessment. Regarding the propensity for linked trips with the nearby retail park, WYG suggest that this will occur although no substantive analysis is provided within the Retail Assessment and therefore we place no weight behind this issue.

Policy EC10.2 (c) - Design

- 4.35 Regarding the design of the proposed store and the wider application site, CC will make its own judgement. However, we do not consider that the location of the store is inclusive in light of its location which is orientated towards car-borne visits and which will disadvantage walking and cycling visits.

Policy EC10.2 (d) & (e) – Impact on economic and physical regeneration and local employment

- 4.36 WYG indicate that the proposed Sainsburys store would benefit employment opportunities, improve investor confidence in Hayle and not compete with the harbourside proposals. In response, we accept that the proposal would provide for new employment opportunities in Hayle, which may be a positive factor in favour of the development, but this should be balanced against job opportunities which may be lost as a result of trade diversion and potential closure of competing outlets. Regarding investor confidence, we can find no evidence to suggest that the Sainsburys scheme would boost investor confidence. In contrast, we consider that the proposal could have a detrimental impact upon the delivery of investment within the wider harbour area.

5. SUMMARY AND CONCLUSIONS

- 5.1 This report has been prepared by GVA Grimley Limited in response to an instruction by Cornwall Council (CC) to carry out an independent review of the retail planning policy aspects of two planning applications for retail development in Hayle. In brief, the submitted planning applications comprise a proposal by ING RED (Hayle Harbour) Limited for the development of a foodstore and associated retail facilities at South Quay in Hayle. The other application is submitted by Sainsbury's Supermarkets Limited and Cranford (Hayle) LLP relates to the development of a new foodstore on land at Marsh Lane in Hayle.
- 5.2 In accordance with our instructions from CC, both proposals are considered in the context of the development plan for the area and other material planning policy considerations such as Planning Policy Statement 4: Planning For Sustainable Economic Growth (December 2009). The application proposals are also considered in the context of our 2007 retail study for the former Penwith District Council plus the contents of our draft Retail Study for Cornwall Council.
- 5.3 Since the submission of both of these applications, the final version of PPS4 has been published. In the context of development control decisions for retail development, PPS4 differs from the previous expression of national planning policy in PPS6 (2005) and is a material consideration which must be taken into account in development management decisions. Policy EC14 of PPS4 indicates that a sequential assessment and an assessment addressing the impact of development are required for proposals that are not in an existing centre and not in accordance with an up to date development plan. The key change from PPS6 (2005) for PPS4 is that the requirement to demonstrate a need (as a stand-alone policy test) for proposals that are not in an existing centre and not in accordance with an up to date development plan has been removed. Therefore, in light of PPS4 guidance, we have not undertaken a detailed review of the need for both proposals as a separate planning policy test.

Sequential Assessment

- 5.4 Having regard to the sequential approach to site selection, the sites subject to these two applications form part of a wider range of sites which require consideration. In line with the conclusions of our 2008 retail study, we consider that the South Quay site (subject to the ING application) performs well against the sequential approach to site selection, being on the edge of Foundry town centre. In contrast, the Marsh Lane site (subject to the Sainsburys application) lies in an out of centre location.

5.5 However, CC's conclusions on the suitability of the South Quay site for foodstore development will not only determine the outcome of the current ING planning application but may also influence (in part) the conclusions reached as part of the sequential approach to site selection for the Sainsburys planning application. In particular, not only must CC consider the detailed merits of the current ING application, but it must also consider whether the South Quay site is suitable for other forms of foodstore development (taking into account flexibility required by PPS4) and (if the current ING scheme is not acceptable) whether there is the reasonable possibility of a different form of foodstore development being acceptable. There are no sequentially preferable locations to the South Quay site, however the overall suitability of the site for foodstore development will be subject to design and other non-retail policy development control considerations. In addition, when considering sequentially preferable locations to the Sainsburys application site, the Jewsons site (which lies adjacent to South Quay site and is also in an edge of centre location and allocated as part of the wider harbour area) cannot yet be ruled out in terms of its suitability, available and viability to accommodate foodstore development.

5.6 Overall, we consider that both the South Quay and Jewsons site offer 'in principle' sequentially preferable locations over the Sainsburys planning application site. However, the ability for the Sainsburys application to either comply or conflict with the sequential approach to site selection will depend upon CC's view on whether the South Quay and Jewsons sites can provide suitable and alternative locations for foodstore development, taking into account flexibility on scale, format and car parking provision. It is our view that these can accommodate the physical scale associated with foodstore proposals, although their overall suitability will depend upon *inter alia* the ability to provide a design of store which is suitable in terms of its impact on nearby listed buildings, the character and appearance of the Conservation Area and the WHS. Depending on CC's consideration of the overall suitability of the South Quay and Jewsons sites to accommodate foodstore development, there are two potential outcomes:

- If CC conclude that there is the potential for the South Quay and/or Jewsons sites to accommodate a foodstore development of an appropriate scale (taking appropriate account of the need for flexibility and CC's determination of the current ING planning application on the South Quay site, including consultation responses received), then we would conclude that the current Sainsburys site fails the sequential approach to site selection as set out in the development plan and PPS4.
- Alternatively, if CC consider that the South Quay and Jewsons sites cannot (either individually or together) accommodate (under any reasonable circumstances) a foodstore development of an appropriate scale (taking appropriate account of the need for

flexibility), and no other edge of centre sites can be identified, then the Sainsburys application has the potential to perform much better against the sequential approach.

Assessment of Impact

5.7 Turning to the assessments provided by both applicants which address the impacts of the proposed developments, we have reviewed the information submitted in support of both applications. In relation to the Sainsburys application, we have requested further information in relation to the impacts associated with the convenience and comparison elements of the proposed store on trade/turnover in Hayle's defined centres. A response to our request has not been provided. Therefore, we consider that the Sainsburys application has failed to provide sufficient information to adequately demonstrate that the proposed store can meet policies relating to impact in the development plan and policies EC10, EC16 and EC17 of PPS4. As a consequence, we have undertaken our own assessment of the potential impact of the Sainsburys proposal and it is our opinion that the proposed development will have a negative impact upon the vitality and viability of the defined town centres in Hayle, including significant negative impact upon the turnover of the convenience retail sector. Based upon the turnover of the proposed Sainsburys store indicated within the accompanying Retail Assessment, we consider that the retail sector in Hayle's centres could lose between one fifth and one quarter of their turnover as a result of the proposed development and we consider that they will receive very little benefit (in financial and footfall terms) in the form of additional linked trips. These negative impacts have been considered alongside the other tests of impact within Policies EC10 and EC16, although we have reached the conclusion that the proposal conflicts with policies EC16 and EC17 of PPS4 plus policies relating to impact within the development plan. The financial impact of the Sainsburys scheme on existing facilities in Hayle's centres (based on market share information provided by the South Quay scheme and the draft Cornwall Retail Study) is outlined below

Table F: GVA trade diversion estimates from Hayle town centre stores to Sainsburys scheme

Store	2014 pre-impact town centre turnover (£m)	Trade diversion to proposed store (£m)	2014 post-impact town centre turnover (£m)	Impact on 2014 town centre turnover %
South Quay market share levels	15.6	4.0	11.6	-26
Draft Cornwall retail study market share levels	14.2	3.0	11.2	-21

5.8 The ING application at South Quay has been assessed against the indicators of impact set out in policies EC10 and EC16 of PPS4. Having regard to these indicators we have found that the proposed foodstore has the potential to offer the opportunity for a greater proportion

of local residents to undertake their main bulk food shopping in Hayle and thus reduce the length of journey currently undertaken. However, having assessed the potential impact of the proposed foodstore upon the trade/turnover of existing stores, we consider that the retail sector in Hayle's centre could see its future turnover reduced by between one quarter and one third as a result of direct trade diversion to a store at South Quay. There will be a significant impact upon the convenience sector in the town centre, with the Co-op store in Copperhouse likely to lose between 30% and 40% of its turnover and other convenience stores losing around 15% of their turnover. We consider these impacts to be significant and store closures, particularly in the convenience sector in the town centres, cannot be ruled out, given the survey evidence of existing store performance. The financial impact of the South Quay scheme on existing facilities in Hayle's centres (based on market share information provided by the South Quay scheme and the draft Cornwall Retail Study) is outlined below

Table F: GVA trade diversion estimates from Hayle town centre stores to Sainsburys scheme

Store	2014 pre-impact town centre turnover (£m)	Trade diversion to proposed store (£m)	2014 post-impact town centre turnover (£m)	Impact on 2014 town centre turnover %
South Quay market share levels	15.6	5.0	10.6	-32
Draft Cornwall retail study market share levels	14.2	3.8	10.4	-27

5.9 When assessing the impact of the South Quay proposal, it should be noted that we have adopted a worse case scenario given that there is no named operator for the proposed store. We have chosen the average trading performance of Tesco as it is the highest trading performance of those grocery retailers which are not aligned to other proposals in Hayle. Given that the Sainsburys proposal is of a similar size to the South Quay scheme, and Sainsburys possesses the lowest trading density of the main group of national grocery operators, it is likely that the impacts associated with the Sainsburys store represent the other end of the impact spectrum. However, given the uncertainty over the likely identity of any future occupier we would advise that a worst case approach is taken towards impact. Should a detailed scheme for South Quay, supported by a named operator, we would revisit this approach.

5.10 Alongside the assessment of trade diversion we have also considered to the potential for the proposed foodstore at South Quay to benefit the town centre financially via linked trips from customers using the new store, plus the impact of the proposal on local consumer choice and the range and quality of the comparison and convenience retail offer. We have also considered whether the proposal is of an appropriate scale in relation to the size and role of

Hayle. Having regard to these factors, we consider that the proposed South Quay store will widen the range of convenience and comparison goods available within Hayle and has the potential to benefit consumer choice. This will be a positive aspect to the proposed development. However, little information submitted in relation to the potentially (positive) financial impact of linked trips with the centre and further analysis is required in order to estimate the scale of this benefit. In addition, we do not consider that the information submitted in support of the South Quay scheme justifies that the proposed foodstore is of an appropriate scale and we are of the view that a smaller store would perform better against the tests of impact in Policy EC16 of PPS4.

- 5.11 When making an assessment of the financial impact of the South Quay foodstore we have, given the lack of an identified grocery operator, adopted a worst case assessment. However, it is noted that the Marsh Lane proposal is of a similar size but is proposed to attract a lower turnover level. Therefore, it may be appropriate to consider whether any significant differences arise as a result of the financial impact of both turnover levels, even though we remain of the view that the primary focus for the assessment should be worst case turnover level. Having considered the impacts associated with both turnover levels, it is our view that they both have the potential to provide significant and detrimental impacts upon the defined centres in Hayle, contrary to PPS4.

Conclusions

- 5.12 Overall, we do not consider that CC can support the Sainsburys planning application given the negative impacts of the proposal on turnover levels in Hayle's centres and its overall impact upon the vitality and viability of the centre. In addition, the Sainsburys application may also conflict with the sequential approach to site selection where CC conclude that there is realistic potential for the South Quay and/or Jewsons sites to accommodate a foodstore development (taking appropriate account of the need for flexibility and CC's determination of the current ING planning application).
- 5.13 The South Quay site performs well against the sequentially approach for retail development within Hayle, although the overall suitability of this location will be dependant upon CC's consideration of a wide range of development control matters including the impact of the proposal on the character and appearance of the local area and the wider regeneration of the harbour area. The impact of the current South Quay proposal is however a cause for concern, particularly given its financial impact upon the performance on the town centres in Hayle and the scale of development proposed. We consider that whilst there are some positive impacts associated with the scheme (impact on consumer choice and retail offer, plus accessibility) these are outweighed by negative impacts relating to the scale of the proposal and financial impacts. We consider that a smaller store would be able to offer the same

positive impacts as the current proposal, whilst reducing the severity of its negative impacts and thus attracting a better performance against policies EC16 and EC17 of PPS4 and policies in the development plan.