Retail Impact and Sequential Test Assessments

Planning Application P/OUT/2023/01166 Land to The South of Ringwood Road Alderholt

November 2023

C10327

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Contents

1.0 Background

1.1 The application is for outline permission for a mixed-use development of up to 1,700 dwellings including affordable housing and care provision; 10,000sqm of employment space in the form of a business park; village centre with associated retail, commercial, community and health facilities; open space and other, associated development.

1.2 All matters are reserved except access.

1.3 The application was refused for several reasons. Reason 5 states:

"The proposal includes uses defined in Annex 2 of the NPPF as 'main town centre uses' expected to total 2,958sqm and include 1,259sqm of retail. The application is not accompanied by a sequential test or retail impact assessment, contrary to Policy KS7 of the Christchurch and East Dorset Local Plan: Part 1, 2014, and to paragraphs 87 and 90 of the NPPF".

1.4 DPDS Ltd has been instructed to prepare a retail impact assessment to address this reason for refusal.

2.0 The Development Proposal

2.1 The illustrative masterplan shows the village centre at the southern end of the site, and to the south-west of Ringwood Road. It would be located on the spine road which would take the traffic off Ringwood Road. The centre would include a village store, other retail units, a pharmacy, and other professional services. The leisure uses envisaged include a public house, a coffee shop and a restaurant and health and community services to include a dentist, doctor's surgery, and a community building. It is intended to improve facilities in the village for existing and future residents and to provide a focus for social activity.

2.2 The proposal includes 4,000sqm of Class E uses broken down as follows.

1,258sqm retail (E.a);
673sqm food and beverage (E.b);
316sqm community/sports (E.d);
724sqm medical (E.e); and
1,026sqm offices (E.g (i)).

2.3 The mix includes 2,958sqm 'main town centre uses' as defined in Annex 2 of the NPPF. The retail floorspace is intended to be provided in small units. The maximum size for a food store would be determined by the requirement for Sunday opening, giving a maximum of 280 sq. m of net retail floorspace and about 400 sq. m gross. A shop of this size would provide for day-to-day food shopping in a local area and would typically have an annual turnover of about £2.0m, depending on the operator and other local provision. 6 units in the remaining 858 sq. m floorspace would give an average size of 143 sq. m per unit. Not all of these would necessarily be retail in terms of the definition of retail expenditure.

2.4 In response to comments about the permitted development rights under Class E of the Use Classes Order, a condition proposing the following the restriction is proposed.

No uses in the following uses in the Use Classes Order 1987 as amended and the following sui generis uses:

Class E(a) Display or retail sale of goods other than hot food;

Class E(b) Sale of food and drink for consumption (mostly) on the premises;

Class E(c) Provision of medical or health services (except the use of premises attached to the residence of the consultant or practitioner);

Class E(f) Creche, day nursery or day centre (not including a residential use);

public houses, wine bars, or drinking establishments;

hot food takeaways (for the sale of hot food where consumption of that food is mostly undertaken off the premises;

shall take place in the permitted development except within the village centre without the written consent of the local planning authority.

The Village Centre will not exceed the following floorspace limits

Total 4000 sq m

Of which no more than

1700 sq m gross shall be used for retail uses (comparison and convenience goods sales and retail services)

1000 sq m Food and Drink (including Class E(b) Public Houses, and hot food takeways)

No unit for retail, office or food and drink use within the village centre should be greater than 500 sq m.

The proposal has been assessed on this basis.

2.5 The illustrative details for the centre include a public house, a sui generis use, but there is no reference to this in the description of development on the application form. This makes no difference to the impact assessment because both fall withing the category of food and drink (beverage) spending and have to be assessed together, but the Applicant may seek to amend the description of development.

2.6 The phasing of the village centre in relation to the housing development is significant. The submitted phasing plan indicates that the village centre would be developed in years four and five (2029-30) as part of Phase 4. Allowing for the grant of planning permission in 2025 and a start to development on site in 2027, it is unlikely that the village centre would be opened before 2030. Any centre is unlikely to have reached a mature trading pattern (conventionally taken as the second full calendar year of trading) before 2032. (PPG para 018). It is proposed to adopt 2032 as the impact year. It is considered likely that a phasing condition or agreement securing the required infrastructure would be applied. In effect this means that the village centre would not be built unless the housing was. This is of course also the commercial reality.

2.7 The proposed village centre would serve only a local catchment area, largely confined to the village and its immediate surroundings. The village has a population of 3,196 people (2021 Census – from Planning Policy consultation response 28 04 23) and 1321 households (2021 Census) The Dorset Council MYE based population-based figure is 3262. This has been used as the base year population figure.

2.8 The Dorset Council Area profile for Alderholt indicates a relatively prosperous community. 85% of households are owner occupiers and 63% of the houses are detached. 49% of the 1597 residents in work are highly skilled, 39% with intermediate skills and 12% are low skilled. Only 4% of households do not own a car and 66% have two of more cars.

2.9 There is a Co-op convenience store, a second-hand children's clothes shop and a pub in the village. The nearest town centres are Fordingbridge (in Hampshire), some 2.5 miles to the north -east and Verwood some 5 miles to the south-west. There is a Tesco Express, small Co-op, and Londis and independent food retailers in Fordingbridge. The nearest large supermarket, Morrisons, is in Verwood which also has a Tesco Express, Co-op and a recently opened Lidl store.

3.0 Planning Policy

The NPPF

3.1 The NPPF sets out the sequential and impact tests. There is no need to set them out here.

3.2 Sequentially preferable sites must be suitable and available. The sequential test does not apply to small scale offices in rural areas (para 89).

3.3 In NPPF terms the impact test only applies to retail proposals over 2,500 sq. m, although local thresholds are acknowledged. The Planning Practice Guidance notes that:

"The impact test will need to be undertaken in a proportionate and locally appropriate way, drawing on existing information where possible. Ideally, applicants and local planning authorities should seek to agree the scope, key impacts for assessment, and level of detail required in advance of applications being submitted. (Paragraph: 017 Reference ID: 2b-017-20190722)."

3.4 Town centres are defined as "*Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance.*"

3.5 Para 93 requires local authorities to guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs. They should ensure that established shops, facilities, and services are able to develop and modernise, and are retained for the benefit of the community.

Development Plan

The East Dorset and Christchurch Core Strategy Part 1 (adopted 2014)

3.6 Alderholt is defined in the Core Strategy as a rural service centre (Policy KS2). These are defined as main providers of community, leisure, and retail facilities to support the village and adjacent communities in the rural areas.

3.7 Policy KS6 sets out the retail hierarchy and identifies town centres, district centres, local centres, and parades, which are defined as other clusters of shops (i.e., not town, district, or local centres). The minimum number of shops to form a cluster is not defined. Annex 2 to the NPPF excludes small parades of purely local significance from the definition of town centres.

3.8 Policy KS 7 states that Town and District Centres are to be the focal point of commercial, leisure and community activity. Their vitality and viability will be supported. A sequential assessment is required for proposals for main town centre uses which are not within an existing centre. An impact assessment is required for proposals for main town centre uses in out-of-centre locations, with the threshold set at 500 sq. m for everywhere but Christchurch, Ferndown, and Wimborne (where the threshold is 1000 sq. m). The plan defines town centres and primary shopping areas in the town and district centres. There are no town centre boundaries or shopping frontages identified in Alderholt.

3.9 Policy LN7 states that:

"Facilities and services will be provided to support existing and future population growth and changes in the age profile."

It is stated that new facilities should be concentrated in a number of settlements including Alderholt.

3.10 Paras 16.16 and 16.17 of the Plan recognise the importance of shops, pubs and post offices in villages and identifies the importance of retaining these facilities as fulfilling a vital function for the community. Policy PC5 encourages the provision of shops which provide for people's day to day needs, leisure uses including public houses and facilities for local communities will be supported in principle stating:

In local shopping areas and villages planning applications which propose improvements to the provision of shops which provide for people's day to day needs, leisure uses including public houses and facilities for local communities will be supported in principle.

3.11 Their loss will be resisted unless it is clearly demonstrated there is insufficient demand, and it is not feasible and viable to support their continued existence and the loss would not result in a substantial decline in the range and quality of services for local people.

3.12 Policy VTSW1 aims to continue the promotion of Verwood town centre.

3.13 Fordingbridge is defined as a town centre in policy STR4 of the New Forest District Local Plan 2016-2036 Part 1: Planning Strategy. The plan identifies a town centre boundary and primary shopping area.

The Dorset Local Plan

3.14 A Local Plan for the whole of Dorset is in preparation with the first stage of consultation undertaken in 2021. Alderholt is proposed as Tier 3 village. These are described as larger villages which have a population of 500 or more and at least some facilities enabling some day-to-day needs to be met locally. The Plan defines local shops and post offices and community buildings and proposes to retain the favourable stance towards them if they are of appropriate scale and function, not have unacceptable impacts on local amenity etc and are accessible to the community they are intended to serve. It proposes to maintain Verwood's status as a town centre and to require impact assessments for retail development over 500 sq m. The Plan does not suggest significant changes to the policies considered above and is at an early stage of production. We will therefore refer to the policies in the adopted plan within the impact assessment.

Policy Conclusions

3.15 With regard to the sequential test, the Council has indicated that it wishes to see a sequential analysis carried out in relation to Verwood and Fordingbridge. Potential sites must be assessed for their suitability and availability in a reasonable period. There is a body of case law that has built up around the interpretation of the sequential test notably the Dundee and Mansfield cases. The "Dundee" judgment of the Supreme Court in 2012 **(Tesco Stores Limited (Appellants) v Dundee City Council)** determined (para 24 of Lord Reed's judgment) that sites should be assessed as "suitable" for the development proposed by the applicant rather than "suitable for meeting identified deficiencies in retail provision in the area".

3.15 The Mansfield judgment **(Aldergate Properties vs Mansfield District Council and Regal Sherwood Oaks Ltd [2016] EWHC 1670 (Admin))**, found that:

'… 'suitable' and 'available' generally mean 'suitable' and 'available' for the broad type of development which is proposed in the application by approximate size, type and range of goods. This incorporates the requirement for flexibility in (24) NPPF (2018), and excludes, generally, the identity and personal or corporate attitudes of an individual retailer.

Both judgments note that flexibility is required from both the applicant and the local planning authority.

3.16 The village centre proposal is in accordance with policies LN7 and PC5 of the Plan There is no indication that proposals under these policies are subject to the sequential or impact tests provided they are of appropriate scale to their local function.

3.17 Bearing in mind the scale of the proposed village centre and the development plan policies we consider the main issues for the impact assessment are the impact of the proposal on Fordingbridge and Verwood town centres and whether the proposed village centre is an appropriate scale to be considered under policies LN7 and PC5. Alderholt does not have a defined town centre and any shop in the village is not protected by the impact policies. They receive protection under Policy PC5 if the village centre was likely to lead to the closure of the shops and this loss would result in a substantial decline in the range and quality of services for local people. The impact assessment should therefore assess the risk of the closure of the Co-op store in Alderholt, and the significance of this in any decline in the range and quality of services for local people.

Scale and Function

3.18 Before considering the sequential and impact tests we shall consider the appropriateness of the scale and function of the proposal. The table below relates the likely turnover to the growth in local retail expenditure resulting from the housing development.

Table 1 Scheme Turnover and Expenditure Generation

	Turnover	**Expenditure 2040**
Convenience Goods	£3.17m	£11.00m
Comparison Goods	£2.54m	£23.69m
Food and Beverage	£3.03m	£7.44m
Total	**£8.74m**	**£42.09m**

The expenditure arising from the residential development exceeds the turnover of the village centre by a comfortable margin.

3.11 The table below shows the total expenditure for the existing population of Alderholt. The population of the village is given as approximately 3200 in the 2021 Census. Allowing for moderate growth from 2021 to 2040 indicates that, without the housing development, it might increase to around 3,326 by 2040. With the same expenditure per head forecasts, this population would generate some £30m of retail expenditure as follows:

Table 2 Population and Expenditure 2040 No Scheme

	Population	Expenditure per Head	Total Expenditure
Convenience Goods	3326	£2698	£8.97m
Comparison Goods	3326	£5826	£19.38m
Food and Beverage	3326	£1830	£6.08m
Total			**£34.58**

3.20 The village centre would serve a settlement of some 7740 people on completion of the housing development in 2040, with a local expenditure of about £76.7m. The village centre would have a market share of about 11% in the Alderholt area and less if the wider role as a rural service centre is taken into account. It is concluded that the scale of the proposed village centre is appropriate for serving local needs and it falls to be considered under policies PC5 and LN7 of the Local Plan. Policy KS2 identifies Alderholt as a rural service centre and policy LN7 specifically identifies the village as a location where facilities should be concentrated.

4.0 The Sequential Test

4.1 The sequential site assessment has been carried out in accordance with the leading case law – the Dundee and Mansfield judgments. Potential sites will be assessed according to the suitability for the development proposed by reference to the "*broad type of development which is proposed in the application by approximate size, type, and range of goods.*"

4.2 This formulation, from the Mansfield judgment, incorporates the degree of flexibility the judge regarded as reasonable.

4.3 To be suitable, an alternative site has to relate to the suitability of a site for the development proposed by the applicant (as set out in the Dundee judgment) and, to do so, it has to be capable of serving broadly the same catchment area. The proposal is for a village centre with several small shops and food and beverage outlets designed to serve Alderholt and the new development and to provide a focal point for the community. As already noted, the size of the proposal is appropriate to serve this purpose. Regarding type, it comprises a number of small units to accommodate retail/professional services and food and beverage uses along with health and community buildings. It will offer a range of convenience and comparison goods, hot food for eating on or off the premises and provide retail services such as hairdressers etc.

4.4 The proposal to include a village centre in the development was brought forward in response to local plan policy, including Aderholt's identification as a rural service centre, and the perceived need to expand the range of facilities available in the village in view of the current provision and the expanded population. This is described in the Exhibition Boards copied in the DAS.

"Initial technical transport analysis has shown that by providing new and improved essential facilities here in Alderholt there will be much less need for all residents to travel outside of Alderholt by car to work, to shop, see a doctor, go to school or attend a local club".

4.5 Alternative sites have to be suitable for a village centre (a mix of small shop units, community buildings and open space to serve the local, day to day needs of current and future Alderholt residents within the village. A site in or on the edge of Fordingbridge or Verwood town centres would not fulfil this role and would have a completely different catchment population which did not include Alderholt residents. It is concluded that any sites in Fordingbridge or Verwood would be unsuitable for the proposed village centre because of their location. It is therefore not necessary to consider the towns in more detail.

4.6 The PPG (para 012 ref ID: 2b-012-20190722) considers the question of locational specificity and notes that:

"Use of the sequential test should recognise that certain main town centre uses have particular markets and locational requirements which mean that they may only be accommodated in specific locations. Robust justification will need to be provided where this is the case, and land ownership does not provide such a justification."

4.7 In this case the locational requirement to be in Alderholt is very clear and supported by Local Plan policy. Alderholt does not have a defined centre or primary shopping area and there can be no sequential preferences for sites within Alderholt. Nevertheless, we have gone on to consider whether there are other suitable sites available in the village.

4.8 Disaggregation may be relevant to the sequential test in certain circumstances. The development is intended as a village centre. Sites should be large enough to accommodate a range of the uses proposed but should not be required to accommodate them all or necessarily at the scale proposed. The site search has been based on sites of about 75% of the village centre's footprint of 1.21 ha (i.e., about 0.9 ha).

4.9 The location of the proposed centre in the expanded settlement is explained in the Exhibition Boards shown in the DAS.

"The new facilities would be within a maximum of 15 minutes for everyone in Alderholt. The scheme has been designed to provide high levels of pedestrian/cyclist connectivity, with multiple links into the existing village, enhancing existing routes and providing new connections. A re-routed Ringwood Road would provide a quieter and safer environment for residents living on Ringwood Road and safe access to facilities in the new village centre."

4.10 We have searched for alternative sites for the village centre on site, through aerial photography (most particularly Google Images dated April 2023 and for properties (residential, commercial and development land) the following websites Rightmove, Zoopla, On the Market, Primelocation, Novaloca, and LoopNet.

10 Station Road

4.11 There is land adjacent to the existing Co-op in Alderholt – a residential property being sold with development potential of 0.48 acres (subject to planning). Even taking the Co-op site into account the site is too small to accommodate a mix of uses on the site even including the Co-op store within site.

Oak Road and Birchwood Rd

4.12 There are small areas of public amenity space available to the public within residential developments. The sites are too small and their loss as amenity land is considered to be unacceptable.

Land to the South of Blackwater Close Development

There is a parcel of land to the south of Blackwater Close which would be large enough to accommodate a village centre. However, access would be through residential streets which are too narrow to service a village centre and the additional traffic would harm residential amenity. The site is therefore unsuitable. It is being promoted for residential development and is therefore unavailable.

Conclusions on Sequential Test

4.13 It is concluded that the proposed village centre is locationally specific to Alderholt and that sites in Fordingbridge or Verwood would not be suitable because of their location. There is no need to consider sites in those towns further.

4.14 There is no centre or prime shopping area in Alderholt and therefore no sequentially preferable sites. Notwithtsanding that, we have carried out a search for other potential sites within the village but have failed to identify any.

4.15 The proposal is locationally specific to Alderholt. There are no suitable sites available, and it is concluded that the sequential test is passed.

5.0 Impact Assessment

5.1 The purpose of retail impact assessment of application proposals is to inform decision making. The Practice Guidance indicates that impact assessment should be applied in a proportionate and locally appropriate way, drawing on existing information where possible. Para 018 states

….any conclusions should be proportionate: for example, it may be sufficient to give a broad indication of the proportion of the proposal's trade draw likely to be derived from different centres and facilities in the catchment area and the likely consequences for the vitality and viability of existing town centres.

The Dorset Retail and Leisure Study (DRLSU 2022) was last updated in 2022 and forms the main source of data for this impact assessment. This was based on 2020 prices and the same price base is used in this assessment.

5.2 As noted, the proposed restriction would prevent the employment land in the application being used for retail or other town centre uses and it can be excluded from the impact assessment. The village centre would not go ahead without the housing development. This is a commercial reality but is also expected to be controlled through a phasing agreement/condition. It is therefore not necessary to consider the likely impact of the village centre in isolation from the rest of the development.

5.3 The nearest defined town centres which have policy protection are Fordingbridge and Verwood. The Co-op in Alderholt cannot be considered to be protected under policy PC5, the second Part of which seeks to resist the loss of retail premises, leisure and other local facilities unless it is clearly demonstrated that the continued use is not viable, and the loss would not result in a substantial decline in the range and quality of service for local people. This part of the policy is aimed at resisting changes of use from retail, leisure and other uses, not to protecting the viability of existing businesses from new competition. This is because it is hard to demonstrate that there would be a substantial decline in the range and quality of local services when new facilities are being provided that would replace the existing use ones. Furthermore, the definition of town centres in the NPPF (Annex 2) excludes small parades of shops of purely neighbourhood significance and existing out of centre developments (unless identified in the local plan). Nevertheless, it is reasonable that the local planning authority should know if the existing Co-op in Alderholt would be likely to close as a result of the village centre in considering possible objections to the application.

Method

5.4 In the impact assessment the village centre proposal is referred to as the scheme (as in scheme turnover) and the development (as in the development expenditure) refers to village centre and residential development. The retail and leisure expenditure generated by employees in the employment area is not taken into account. The method employed is as follows:

- Update the population and expenditure figures for the catchment area from the Dorset Retail and Leisure Study Update 2023 and calculate figures for the start and impact years.

- Calculate the town centre turnovers for the start and impact years – the no development scenario.

- Calculate the additional population and expenditure resulting from the scheme development – the scheme expenditure.
- Assign the scheme expenditure to the centres (and elsewhere).
- Add the scheme expenditure to the town centre turnover estimates.
- Calculate the turnover of the village centre– the scheme turnover.
- Assess the trade draw of the scheme from the existing centres and elsewhere and calculate the scheme diversion.
- Deduct the scheme diversion from the existing centres turnover and calculate the impact.
- Assess the implications of the revised turnovers after impact for the viability and viability of the centres and relevant free-standing stores.
- Sensitivity test the turnover assumptions.

Start and Impact Years

5.5 It is likely that the village centre would be developed in years four and five (2029-30) as part of Phase 4. Allowing for the grant of planning permission in 2025 and a start to development on site in 2027, it is unlikely that the village centre would be opened before 2030. The village centre is unlikely to have reached a mature trading pattern (conventionally taken as the second full calendar year of trading - PPG para 018) before 2032. In practice, the separate uses are likely to come onstream gradually over a more extended period, but it is proposed to adopt 2032 as the impact year. Notwithstanding this, the development is phased over the period to 2040 and the retail impact also needs to be judged over the full period.

Catchment Area

5.6 The proposal is small scale both in total and in terms of the size of the units and this restricts the size of the catchment area. This is defined as the village and immediate environs. It is unlikely that retail units on the proposed scale would attract customers from Fordingbridge or Verwood with any regularity because the village centre would provide similar shops to those already available in those towns. Any impact on the centres would be derived from Alderholt residents who currently shop in the two towns transferring some of their shopping to the proposed village centre. The employment area is likely to create a day-time population which would also use the village centre. In view of the uncertainty as to the size and spending of these people, this employment-based spending has not been taken into account and the impact study is cautious in this respect.

The Relevant Town Centres

Verwood

5.7 Verwood is small town centre some 6 miles (9 km) to the southwest of Alderholt. It is described in the Bournemouth, Christchurch and East Dorset Joint Retail and Leisure Study Volume 2 (2017) (para 3.60) as:

"………having a limited selection of retail and service uses, and its key roles include:

***Convenience shopping** – in the centre there is a small Tesco Express (254 sq.m net) suitable for top up shopping. This is supported by a butcher and greengrocer. The main supermarket is the large out of centre Morrison's store (3,303 sq.m net).*

***Comparison shopping** – there is a limited range of comparison shops, comprising primarily of small independent specialist traders and charity shops.*

***Services** – there is a range of service uses, including, a post office, banks, estate agents, hairdressers, travel agent, accountants and a dry cleaners".*

5.8 The study concluded:

*"These results suggest Verwood serves a small local catchment area for non-food shopping. The Morrison's store in Verwood attracts a higher market share of main food and grocery shopping trips from these two zones "(*study zones 5 &11).

5.9 The Planning and Retail Statement (PRS) accompanying the Lidl application (Application ref 3/19/1767/FUL) found 43 outlets in 2021 with 19 comparison shops, 22 service outlets and 2 convenience outlets in the town centre (Tesco Express and an independent butchers). The main convenience shopping is carried out in the out of centre Co-op, Morrison and Lidl stores. The Lidl opened in Dec 2021.

5.10 The centre has grown up as several shopping parades with accommodation above and this gives the centre a rather fragmented form. However, the environment is pleasant with generous open space and is well kept. There is free parking close to the main concentration of shops. There is a rather limited food and beverage offer in the centre, with two coffee shops, two takeaways, one Italian restaurant and one wine bar. There are no pubs. There was one vacant shop unit at the time of our visit and an internet search indicates another. We assess the town as healthy.

5.11 The DRLSU 2022 estimates the turnover of Verwood at £9.4m for comparison goods and £60.8m for convenience goods in 2022 (Appendices 3 and 6). The figures are forecast to rise to £14.6m and £62.1m respectively by 2040. These figures include the out-of-centre foodstores and do not take account of the Lidl. A substantial proportion of the Lidl turnover will have been diverted from the stores in the town, but some would be achieved from the clawback of expenditure from other locations with discount foodstores so there will have been a net increase in turnover. The turnover of the town is therefore greater than estimated here, but this does not materially affect the turnover of the town centre (see para 6.37 below).

Fordingbridge

5.12 Fordingbridge is a small historic town on the western side of the River Avon in Hampshire. It is about 2.5 miles (4 km) from Alderholt. There are 9 convenience goods shops in the town centre including a medium sized Co-op and a Tesco Express. There are 24 comparison goods shops including a hardware store, a couple of ladies clothing shops, interior décor shops and several gift shops. There are 6 pubs/restaurants and two takeaways in the town centre, as well as a range of retail services including hairdressers, estate agents and opticians. There were three vacant units at the time of our site visit. An internet search confirms this. There is a post office, library, museum, a small cinema (The Regal) and a small hospital. There is also a Riverside Park on the opposite side of the river, with a memorial garden, fishing and sport fields.

5.13 There is a centrally located car park with about 300 long and short stay spaces with charges of £1 per hour for the first two hours and reduced rates for longer stays. There are no evening charges. The car park gives direct access to the Co-op store and the library. There are public toilets and electrical vehicle charging points there.

5.14 The town centre environment is attractive and well maintained with many historic buildings and the medieval bridge. The shops are well maintained with recent investment obvious in most. The town is bypassed by the A338, and traffic is not unduly intrusive. Pedestrian flows were good for a town of its size.

5.15 We estimate the retail turnover of the town centre about £13m for convenience goods sales and about £10m for comparison goods shops.

5.16 Overall we consider the town has a good range of shops, community services and pubs for local residents and that is a prosperous town supported by an affluent catchment area and a significant element of visitor spending.

Population and Expenditure – No development Scenario

Retail Expenditure

5.17 The population of the village is given as 3196 people in the 2021 Census (quoted in the Committee report for the application). The Dorset Council Mid-year estimate figure for 2022 is 3262 and this is used in the retail impact assessment.

5.18 The population forecasts are based on the rate of growth or Zone 21 in the Dorset Retail and Leisure Study Update 2022 (DRLSU 2022), which includes Alderholt and the Dorset/ Hampshire fringe, have been used to forecast the population of the catchment area in the "no-development" scenario. Appendix 2 Table 1 of the DRLSU 2022 indicates the population of the zone was forecast to increase by 4.1% over the period 2022 and 2040. Applying this rate of growth to the Alderholt population indicates an increase of 133 people over the period from 3262 to 3326.

5.19 The retail expenditure per head figures are taken directly from the DRLSU 2022. For convenience goods, Appendix 2 Table 2 of the DRLSU 2022 shows expenditure per head excluding SFT was estimated at £2707 in 2022 and was forecast to remain virtually the same until 2040. For comparison goods, DRLSU 2022 Appendix 5 Table shows an increase excluding SFT from £3792 per head in 2022 to £5792 in 2040.

5.20 Combining the population and expenditure figures gives the following estimates of total expenditure in the Alderholt area.

Table 3 Population and Retail Expenditure Alderholt – No Development Scenario

	2022	2025	2030	2032	2035	2040	Growth 2022 - 2040 No	%
Convenience Goods								
Population	3262	3285	3314	3330	3354	3395	133	0.04
Expenditure/hd	2707	2692	2688	2690	2693	2698		
Total Expenditure	**8.83**	**8.84**	**8.91**	**8.96**	**9.03**	**9.16**	**0.33**	**0.04**
Comparison Goods								
Population	3262	3285	3314	3330	3354	3395	133	0.04
Expenditure /hd	3792	4000	4464	4716	5094	5826	2034.00	0.54
Total Expenditure	**12.37**	**13.14**	**14.79**	**15.70**	**17.08**	**19.78**	**7.41**	**0.60**

5.21 There is minor growth in the total amount of convenience expenditure solely as a result of the population increase. There is a more substantial increase in the comparison goods expenditure because of the growth in expenditure per head as well as the population.

Food and Beverage Expenditure

5.22 The DRLSU 2022 does not provide a quantitative analysis of food and beverage expenditure and expenditure per head figures are not available. Nationally ONS figures indicate that expenditure per household was, before Covid about £55 per week and the recorded level was £55.60 in 2019/20 (Family Spending Detailed Expenditure and Trends released May 2023 – spending in restaurants, hotels, cafes and take-aways etc). This gives an annual expenditure of £2891 per household. With 1321 households in the Alderholt area, this suggests the food and beverage spending is about £3.82m.

5.23 Experian forecasts that after the sharp decline in spending during Covid lockdowns, Food and Beverage expenditure per head to recover by 2025 and to increase in real terms by about 13% between 2019 and 2040. However, the level of expenditure per household has been held constant in this impact assessment. Expenditure per head in Alderholt is likely to be significantly higher than in the UK as a whole and for both these reasons the estimate is likely to be a significant underestimate. However, because much less is known about businesses in this sector, the assessment cannot be so detailed, this estimate (£3.82m) gives a broad estimate of the scale spending in the no development scenario.

Development Expenditure

5.24 The annual retail expenditure generated by the development is shown in Table 4 below.

Table 4 Total Expenditure – Proposed Residential Development

	2022	2025	2030	2032	2035	2040
Dwellings cumulative			616	885	1341	1694
Average Household Size			2.4	2.4	2.4	2.4
Population			1478	2124	3218	4066
Conv Spend/head£	2707	2692	2688	2690	2693	2698
Comp Spend/head £	3792	4000	4464	4716	5094	5826
Total Conv Spend £m	0	0	**3.97**	**5.71**	**8.67**	**10.97**
Total Comp Spend £m	0	0	**6.60**	**10.02**	**16.39**	**23.69**
Food and Beverage Spend £m			1.78	2.56	3.88	4.90
Total £m			**12.35**	**18.29**	**28.94**	**39.55**

5.25 The cumulative number of households is shown in the top row. This is multiplied by the average household size of 2.4 persons per household. This figure is derived from the Alderholt Area Profile prepared by DC (3197 population and 1321 households) and is commonly used in calculating infrastructure requirements arising from housing development.

5.26 The spend per head figures are as in Table 3 and are taken from the DRLSU 2022 for zone 21. The total expenditure is calculated by multiplying the spending per head figures by the population. The population within the development is estimated at 1478 by 2030 increasing to 4066 by 2040.

5.27 The food and beverage expenditure is derived from the annual spending per household of £2891 multiplied by the cumulative number of households in the table.

The Assignment of the Development Expenditure

Convenience Goods Expenditure

5.28 The next stage is to assign this additional development expenditure to the main centres assuming there is no village centre. We then calculate the trade draw of the village centre to assess the likely impact.

5.29 For convenience spending we have had regard to the market share analysis in the DRLSU 2022 for zone 21 and zone 12 of the Retail Assessment for the Lidl store in Verwood (App No 3/19/1767/FUL) but the zones in these surveys are too large to provide much guidance on the likely shopping habits of Alderholt residents. We have therefore had regard to the nearest convenience shopping locations. The main large foodstores are:

Morrisons Verwood	13 minutes drive
Sainsbury, Ringwood	13 minutes drive
Sainsbury Salisbury	34 minutes drive
Sainsbury Ferndown- -	18 minutes drive
Tesco Ferndown	20 minutes drive

There are discount foodstores in Verwood, Ringwood and Salisbury.

5.30 The majority of the expenditure will be spent on main food shopping trips, although the distinction between main and food shopping is not that clear cut. Given the distance to alternatives, most main food shops are likely to take place in Verwood and Ringwood. However, given the drive times to these towns, top-up shopping is likely to take place locally and to form a larger proportion of total food expenditure. On the basis that main food shopping is likely to be about 65% of all food shopping, we have estimated that 65% of total convenience goods expenditure is spent on main food shopping trips to Verwood and Ringwood (30% to each) and elsewhere (5%). The top-up shopping is allocated to Fordingbridge and Alderholt and reflects the greater range of goods available in Fordingbridge and its greater distance from the village centre. The following distribution of the development expenditure would be as follows.

Verwood	30%
Fordingbridge	20%
Alderholt	15%
Ringwood/Elsewhere	35%

5.31 Given the convenience goods expenditure calculated in Table 4 above, the additional expenditure in the centres and Alderholt is as shown in Table 5 below.

Table 5 Scheme Convenience Goods Expenditure Assignment

	2022	2025	2030	2032	2035	2040
Additional Conv Spend £m	**0**	**0**	**3.97**	**5.71**	**8.67**	**10.97**
Verwood 30%	0	0	1.19	1.71	2.60	3.29
Fordingbridge 20%	0	0	0.79	1.14	1.73	2.19
Alderholt 15%	0	0	0.60	0.86	1.30	1.65
Elsewhere 35%	0	0	1.39	2.00	3.03	3.84

5.32 The main foodstores in Verwood are, however, out of centre. The only convenience outlets in centre are a Tesco Express and an independent butcher. We will take this into account when considering the impact of the proposal.

Comparison Goods

5.33 Comparison goods include clothing and footwear, furniture, carpets and furnishings, electrical goods and a host of smaller items such as stationery, glassware cooking utensils and health and beauty products. There is no doubt that most clothing and footwear, and larger comparison items are bought in the larger towns. Smaller items comprise about half of comparison goods expenditure, and many are available in Verwood and Fordingbridge but are also available in larger foodstores. It is estimated that about 45% of the additional comparison goods expenditure would be spent on smaller items, 20% of which would be purchased in Verwood and 15% in Fordingbridge. 65% of the smaller item expenditure would go to the other towns in the area. We regard this as a conservative estimate. The figures are shown in Table 6.

Table 6 Scheme Comparison Goods Expenditure Assignment

	2022	2025	2030	2032	2035	2040
Additional Comp Spend £m	**0**	**0**	**6.60**	**10.02**	**16.39**	**23.69**
Small item spend 45% of total	0	0	2.97	4.51	7.38	10.66
Verwood 20% of small item	0	0	0.59	0.90	1.48	2.13
Fordingbridge 15% of small item	0	0	0.45	0.68	1.11	1.60
Elsewhere 65% of small item	0	0	1.93	2.93	4.80	6.93

Food and Beverage Expenditure Assignment

5.34 The food and beverage sector is the most differentiated and dispersed of the three sectors. Spending on takeaway meals forms about 20% of the expenditure and restaurants and cafes and restaurants about 36%. There is a reasonable offer in Fordingbridge with pubs, restaurants and a range of takeaways but the offer in Verwood is poor. The takeaway spending is likely to be focused on Fordingbridge, both from the choice available and the distance to carry hot food home. We have assigned 20% of the takeaway expenditure to Fordingbridge and about 10% of the pub/restaurant/café expenditure. The food and Beverage assignment is shown in Table 7.

Table 7 Scheme Food and Beverage Expenditure Assignment

	2022	2025	2030	2032	2035	2040
Additional F & B Spend £m	**0**	**0**	**3.974**	**5.714**	**8.667**	**10.969**
Takeaway Spend £m	**0**	**0**	**0.79**	**1.14**	**1.73**	**2.19**
Fordingbridge 35%	0	0	0.28	0.40	0.61	0.77
Verwood 5%	0	0	0.04	0.06	0.09	0.11
Elsewhere 60% of takeaway	0	0	0.48	0.69	1.04	1.32
Restaurant/Pub/Café Spend £m	**0**	**0**	**1.43**	**2.06**	**3.12**	**3.95**
Fordingbridge 10%	0	0	0.14	0.21	0.31	0.39
Verwood TC 2%	0	0	0.03	0.04	0.06	0.08
Elsewhere 88% of pub/rest. /cafe	0	0	1.26	1.81	2.75	3.47
Total T/A and Café etc spend £m	**0**	**0**	**2.23**	**3.20**	**4.85**	**6.14**
Fordingbridge	0	0	0.42	0.61	0.92	1.16
Verwood	0	0	0.07	0.10	0.15	0.19
Elsewhere	0	0	1.74	2.50	3.79	4.79

5.35 Overall, it is estimated that that the development would contribute the following to the towns' turnovers.

Table 8 Additional Turnover Fordingbridge and Verwood

Fordingbridge	2022	2025	2030	2032	2035	2040
Convenience £m	0	0	0.79	1.14	1.73	2.19
Comparison £m	0	0	0.45	0.68	1.11	1.60
T/A Café etc £m	0	0	0.42	0.61	0.92	1.16
Total £m	**0**	**0**	**1.66**	**2.42**	**3.76**	**4.96**
Verwood						
Convenience £m	0	0	1.19	1.71	2.60	3.29
Comparison £m	0	0	0.59	0.90	1.48	2.13
T/A Café etc £m	0	0	0.07	0.10	0.15	0.19
Total £m	**0**	**0**	**1.85**	**2.71**	**4.22**	**5.61**

The Turnover of the Town Centres – No Development

5.36 The 2022 turnover of the town centres is first estimated and the additional expenditure from the residential development is then added. The no development town centre turnovers are estimated in Table 09 as follows:

Table 9 Estimated Turnover of Verwood, Fordingbridge and the Co-op Alderholt -No Scheme

	2022	2025	2030	2032	2035	2040
Verwood						
Convenience £m	60.8	61	61.4	61.56	61.8	62.1
Comparison £m	9.4	10	11.2	11.84	12.8	14.6
Fordingbridge						
Convenience £m	12.37	12.37	12.37	12.37	12.37	12.37
Comparison £m	9.6	9.6	9.6	9.6	9.6	9.6
Coop Alderholt £m (convenience only)	2.31	2.31	2.32	2.34	2.36	2.39

5.37 The figures for Verwood have been taken directly from DRLSU 2022 Appendices 3 and 6 (Base-line Scenario). Most of the convenience turnover is in out of centre food stores and figures for individual stores are not available from the report. The PRS for the Lidl Application estimated the turnover of the Tesco at £4.86m (in 2015 prices) This is high for a Tesco Express but not unreasonably so given that it has customer parking and is the only grocery store in the town centre. The post Lidl impact turnover is estimated in the PRS to be £4.48m in 2015 prices and the trade diversion used in the PRS was found to be acceptable by the Council's retail consultants. To avoid undue precision, we will work to a town centre convenience turnover of £5m (2020 prices).

5.38 There are no recent estimates of the turnover of Fordingbridge. We have based our estimate on benchmark turnovers for the Co-op and Tesco Express and a cautious average turnover per shop for other outlets. The estimates are as follows:

Co-op Fordingbridge	£8.3m
Tesco Express	£1.3m
Other	£3.5m
Total	£13.5m

The comparison goods estimate is £9.6m. We note that this is broadly the same as the estimated turnover of Verwood calculated in the DRLSU 2022 but is derived from 24 shops compared with the 19 in Verwood and take this a corroboration of the estimate. To build in a further element of caution we have not converted to 2020 prices or allowed for any growth in future years.

5.39 The turnover of the Co-op in Alderholt is estimated from the floorspace estimate of 280 sq m net sales (the shop has unrestricted Sunday opening). With a 10% reduction for comparison goods floorspace to 252 sq m, and the benchmark turnover of £9152/sq m. This indicates that it attracts 26% of the available expenditure in the Alderholt catchment area. On the basis of a constant market share the turnover would, in the no development scenario, increase to £2.34m in 2032 and to £2.39m by 2040.

The With Development Turnovers

5.40 Adding the estimated expenditure from the residential development to the figures in para 5.38 for the "no development scenario" gives an estimate of the turnover of the centres and Co-op Alderholt "with development" turnovers – shown in Table 10.

Table 10 Town centre Turnovers With Development

	2022	2025	2030	2032	2035	2040
Verwood						
Conv'nce No Dev £m	60.80	61.00	61.40	61.56	61.80	62.10
Conv Dev Turnover £m	0	0	1.19	1.71	2.60	3.29
Total Conv Turnover £m	**60.8**	**61**	**62.59**	**63.27**	**64.40**	**65.39**
Comp No Dev £m	9.4	10	11.2	11.84	12.8	14.6
Comp Dev Turnover	0	0	0.59	0.90	1.48	2.13
Total Comparison £m	**9.4**	**10**	**11.79**	**12.74**	**14.28**	**16.73**
Fordingbridge						
Convenience No Dev £m	12.37	12.37	12.37	12.37	12.37	12.37
Conv Dev Turnover £m	0	0	0.45	0.68	1.11	1.60
Total Conv Turnover £m	**12.37**	**12.37**	**12.82**	**13.05**	**13.48**	**13.97**
Comp No Dev Turnover £m	9.6	9.6	9.6	9.6	9.6	9.6
Comp Dev Turnover	0	0	0.45	0.68	1.11	1.60
Total Comparison £m	**9.6**	**9.6**	**10.05**	**10.28**	**10.71**	**11.20**
Coop Alderholt						
Convenience No Dev £m	2.31	2.31	2.32	2.34	2.36	2.39
Conv Dev Turnover £m	0	0	0.60	0.86	1.30	1.65
Total Conv Turnover £m	**2.31**	**2.31**	**2.92**	**3.20**	**3.66**	**4.04**

The Scheme Turnover

5.41 The next stage is to estimate the retail turnover of the village centre and estimate its trade draw from the existing centres. The estimated turnover of the proposed village centre is shown in Table 11.

Table 11 Turnover of the Village Centre

Floorspace Use	Gross Floorspace sq m	Gross/Net %	Net Floorspace sq m	Turnover/ Sq m	Turnover £m	Catchment Turnover £m
Retail Convenience	400	70%	280.0	11324	3.17	2.85
Retail Comparison	429	70%	300.3	8450	2.54	2.28
Retail Service	429	70%	300.3		0.00	
Food and Beverage	673	75%	504.8	6000	3.03	2.73
Total	**1931**		**1385.4**		**8.74**	**7.86**

5.42 The mix of users and their floorspaces will depend on demand and cannot be known at this stage. It is unlikely to contain more than one convenience store and the estimate is based on the largest size which would allow unrestricted opening. The turnover/sq m is a 2032 interpolation of the figure used in the DRLSU 2022 (Appendix 4 Table 4). The Turnover/sq m figure is taken from DRLSU 2022 Appendix 7 Table 4. Retail services in this context include hairdressers, launderettes, travel agents and estate agents. They are not included in the definition of retail expenditure and there is a lack of data on their turnovers. They are therefore omitted from the quantitative analysis and will be considered in the overall impact assessment.

5.43 Food and beverage uses in this context (but not in terms of the Use Classes Order) includes hot food takeaways, pubs and restaurants. There is reasonable data on the expenditure but not on the turnover of food and beverage establishments. As noted, outlets are widely disbursed and any trade diversion to the village centre is also likely to be dispersed and not focused on town centres.

5.44 It is assumed that 90% of the turnover of the village centre would be derived from the local catchment area.

Retail Trade Draw and Trade Diversion

5.45 The trade draw and trade diversion of the village turnover is shown in Table 12.

Table 12 Retail Trade Draw and Trade Diversion

	Convenience		Comparison	
	%	£m	%	£m
Alderholt	50%	1.43	0%	0.00
Verwood	10%	0.29	18%	0.40
Fordingbridge	30%	0.86	18%	0.40
Elsewhere	10%	0.29	65%	1.48
Total	100%	2.85	100%	2.28

5.46 The village centre would only draw convenience goods trade from a local area. Half of the turnover is likely to be drawn from the existing Co-op in Alderholt as the nearest alternative. We estimate that about 20% is likely to be drawn from the large foodstores in Verwood and elsewhere (primarily Ringwood), largely as Alderholt residents are more able to top up their grocery shopping locally rather than making a 30–35-minute round trip. We have made no allowance for trade diversion from beyond these locations. This leaves about 30% to be diverted from Fordingbridge. On this basis it is assessed that the convenience goods trade diversion would be £0.29m from Verwood and £0.86m from Fordingbridge.

5.47 The trade draw for comparison goods estimates that about 65% will be diverted from towns beyond the study area. The comparison goods offer in both Verwood and Fordingbridge is limited largely to small frequently bought items and it is clear that most people shop elsewhere for fashion, furniture and household furnishings and electrical and other goods. The smaller comparison goods, which would mostly be bought locally, comprise about 35% of comparison goods expenditure and it is assumed that these would be split evenly between Fordingbridge and Verwood. While Fordingbridge is nearer, many of these goods can be bought in larger foodstores and would be bought on main food shopping trips. On this basis the comparison goods trade diversion is estimated at £0.4m from each town.

5.48 As explained above there is no data to assess the turnover of food and beverage outlets and no estimate of trade draw is therefore made. A qualitative assessment will be made in considering the likely impact.

Retail Impact

5.49 To assess the impact of the development, the town centre turnover in the no development scenario is compared with the turnover in the post development scenario.

Verwood

Table 13a Impact Calculations Verwood

	2030	2032	2035	2040
Verwood				
Convenience Turnover £m	62.59	63.27	64.40	65.39
Trade Diversion £m	0.29	0.29	0.29	0.29
Residual Turnover £m	62.31	62.99	64.11	65.11
No Development Turnover	61.40	61.56	61.80	62.10
Difference	0.91	1.43	2.31	3.01
% Impact Convenience	**1.5%**	**2.3%**	**3.7%**	**4.8%**
Comparison Turnover £m	11.79	12.74	14.28	16.73
Trade Diversion £m	0.40	0.40	0.40	0.40
Residual Turnover £m	11.39	12.34	13.88	16.33
No Development Turnover	11.2	11.84	12.8	14.6
Difference	0.19	0.50	1.08	1.73
% Impact Comparison	**1.7%**	**4.2%**	**8.4%**	**11.9%**
Combined Turnover £m	74.39	76.02	78.68	82.12
Trade Diversion £m	0.69	0.69	0.69	0.69
Residual Turnover £m	73.70	75.33	77.99	81.44
No Development Turnover	72.60	73.40	74.60	76.70
Difference	1.10	1.93	3.39	4.74
% Impact	**1.52%**	**2.63%**	**4.55%**	**6.18%**

5.50 The impact on Verwood is positive. The residual turnover, after the trade diversion to the village centre is greater than the no development turnover. However, most of this positive effect will occur in the out of centre foodstores. This applies to both the convenience and some of the comparison goods impact, since many of the smaller comparison goods are available in the food stores. The Tesco Express in the town centre may benefit from additional expenditure in the area as a result of the development to some extent but this is likely to be limited because there is a Tesco Express nearer to the development at Fordingbridge. It is equally unlikely to lose much trade for the same reason. The sale of comparison goods in the out of centre foodstores makes it difficult to calculate the benefits to the town centre but some additional turnover is likely as a result of specialist shops (such as the electrical goods shop) and the linked trips to the foodstores and the town centre.

Fordingbridge

Table 13b Impact Calculations Fordingbridge

Fordingbridge	**2030**	**2032**	**2035**	**2040**
Convenience Turnover £m	12.82	13.05	13.48	13.97
Trade Diversion £m	0.86	0.86	0.86	0.86
Residual Turnover £m	11.96	12.19	12.62	13.11
No Development Turnover	12.37	12.37	12.37	12.37
Difference	-0.41	-0.18	0.25	0.74
% Impact Convenience	**-3.3%**	**-1.5%**	**2.0%**	**6.0%**
Comparison Turnover £m	10.05	10.28	10.71	11.20
Trade Diversion £m	0.40	0.40	0.40	0.40
Residual Turnover £m	9.65	9.88	10.31	10.80
No Development Turnover	9.60	9.60	9.60	9.60
Difference	0.05	0.28	0.71	1.20
% Impact Comparison	**0.5%**	**2.9%**	**7.4%**	**12.5%**
Combined Turnover £m	22.86	23.32	24.18	25.17
Trade Diversion £m	1.26	1.26	1.26	1.26
Residual Turnover £m	21.61	22.07	22.93	23.91
No Development Turnover	21.97	21.97	21.97	21.97
Difference	-0.36	0.10	0.96	1.94
% Impact	**-1.7%**	**0.4%**	**4.4%**	**8.8%**

5.51 The combined impact is negative in the year of opening but is broadly in balance by the impact year and becomes significantly positive by the end of the development as the population of Alderholt builds up as a result of the development. The convenience goods sector experiences minor negative impacts in the impact year (2032) but is in positive territory by 2035. The negative impact would be mostly on the Co-op and to a lesser extent the Tesco Express but there is no risk of closure resulting from a small, short-term negative impact.

5.52 The impact on the comparison goods sector is positive from the year of opening as the effect of increased expenditure is felt – the construction programme indicates some 600 houses will have been built by then. The combined effect is neutral in 2035 but significantly positive by 2040.

The Co-op Alderholt

Table 13c Impact Calculations Alderholt

Alderholt	2030	2032	2035	2040
Convenience Turnover £m	2.92	3.20	3.66	4.04
Trade Diversion £m	1.43	1.43	1.43	1.43
Residual Turnover £m	1.49	1.77	2.23	2.61
No Development Turnover	2.32	2.34	2.36	2.39
Difference	-0.83	-0.57	-0.13	0.22
% Impact Convenience	**-35.8%**	**-24.4%**	**-5.4%**	**9.1%**

5.53 The impact on the Co-op in Alderholt is obviously large. While there is a risk of its closure, we do not think it is great. First, as indicated by the positive impact by 2040, there is sufficient expenditure in the area to support both. At present the Co-op is supported by about 1327 households in the Alderholt area. The development would more than double that number and it follows that another shop of similar size could be supported by the local expenditure. The assessment, furthermore, assumes in effect that the proposed food store would trade at the full level from the year of opening and that 50% of its trade would be diverted from the Co-op, but in reality, both stores are likely to share the available expenditure more equally. Foodstores can (and do) survive large impacts because although unit costs go up with a substantially reduced turnover, stock replacement costs are obviously much reduced and staffing costs can be reduced. The Co-op has the resources to absorb losses from some of its stores and decisions to close tend to be taken in the longer term and in the context of the overall performance of the Group.

5.54 Although we consider it less than likely, the closure would not be contrary to planning policy. The store is out of centre and does not receive policy protection under the town centre policies. Policy PC5 seeks to resist the loss of shops which meet the day-to-day needs of local communities if it would result in a substantial decline in the range and quality of services for local people. This is not the case here because the new store would ensure that those day-to-day needs are still met.

Food and Beverage Impact

5.55 The lack of data on food and beverage turnover and the dispersed and highly differentiated nature of outlets makes it impossible to carry out a quantitative assessment of the impact. The choice of cuisine and the quality of the food means that people will travel some distance and will not habitually use one outlet. Furthermore, the outlets are not concentrated in the town centres. The potential for a significant impact on any centre is limited both by the dispersed nature of the trade diversion and the fact that the food and beverage outlets form a mall proportion of town centre units. There are for instance 6 pubs/restaurants and 2 takeaways in Fordingbridge town centre out of a total of some 45 units. A pub and a takeaway in Alderholt is unlikely to cause the closure of any unit in Fordingbridge but even if it did, it could not be said to be a significant adverse impact on the town centre. The distance to Verwood and the shortage of such outlets in the town centre make a closure of any unit there as a result of this development even more unlikely. Furthermore, in the longer term, it is a growing sector with expenditure per head forecast to increase by about 13% between 2019 and 2040. We therefore conclude that the food and beverage provision in the proposed village centre is unlikely to significantly affect the vitality and viability of Fordingbridge or Verwood town centres.

Sensitivity Testing

5.56 The turnover of the centre has been calculated on the basis of one convenience outlet of 400 sq m (giving the maximum net floorspace of 280 sqm for unrestricted Sunday opening) and 3 comparison goods units, and 3 retail service units (hairdressers etc.) and 643 sq m of food and beverage space. This is the most likely combination, but other combinations are possible. The scope is more limited in practice because many retail and service activities would not be viable if there were more than one unit in the centre competing for sales. It is unlikely that there would be two local convenience stores for instance and specialized food shops (such as greengrocers or butchers) are highly unlikely within a local catchment area. It is possible that there could be a baker if it sold sandwiches and coffee without crossing the line into a hot food takeaway. We have explored the effects that different combinations of shop type would have on the overall turnover.

5.57 Various combinations of uses within the shops have been used to generate a range of possible turnovers. The highest was £9.54m (compared with the central forecast of £8.74m) and hypothesized an additional convenience shop, and one less retail service shop. The lowest was £7.89m and hypothesized one less comparison shop and one more retail service outlet. The resultant impacts are shown below.

Table 14 Sensitivity Testing 2032

2032	**Main Forecast**	**High Forecast**	**Low Forecast**
Scheme Turnover	£8.74m	£9.45m	£7.89m
Impact 2032 Verwood Fordingbridge Co-op Alderholt	 +2.24% +0.04% -24.40%	 +2.57% -0.50% -39.70%	 +2.81% +1.10% -24.30%

5.58 Despite the substantial range of turnover considered, the differences in the calculated impact are small and would not lead to a change in the conclusions regarding the retail impact. It is concluded that the assessment is robust and not sensitive to small variations in the inputs. The main reason for this is that the scheme turnover is small compared with the turnovers of the centres concerned. The impact on the Co-op in Alderholt is significantly greater in the high forecast because this includes 2 convenience stores in the scheme turnover estimate. Nevertheless, even in this variant, the impact on the Co-op is positive by 2040.

Conclusions on Impact

5.59 The proposed development to be assessed is for 1700 houses and a village centre. The village centre would not go ahead unless the residential development does and there is no need to consider the impact of the centre without the residential development. The development would be phased over the period to 2040 and, although 2032 has been adopted as the impact year, it is necessary to consider the impact of the development over the whole period.

5.60 The housing would generate more retail expenditure than the village centre would attract as turnover and the overall impact on centres must be positive. However, the centre may attract turnover from more local centres and the expenditure might be spent in more distant centres. There could therefore be a negative impact on some centres while the overall effect is positive.

5.61 The assessment has identified a small positive impact on Verwood from the start (see main forecast in Table 14 above) Most of this would take place in the large foodstores out of centre, but there is likely be some benefit to the centre and it has demonstrated that there would be no significant adverse impact on the centre.

5.62 The figures indicate that there would be an insignificant adverse impact on Fordingbridge in 2030 (-1.7%) but that the impact would be neutral by 2032 as the population of Alderholt builds up and it would be significantly positive (+9%) by 2040 when the development is complete.

5.63 There would be a very large impact on the Co-op store in Alderholt in the early years, although this is probably overstated because it is assumed, in effect, that the village would have first call on the available expenditure. In practice the available expenditure is likely to be more evenly split. Whilst the closure of the Co-op should not be entirely ruled out, this is assessed as unlikely. By 2040 the turnover of the Co-op is assessed as likely to be higher than at present as the result of the local expenditure growth.

5.64 A range of different occupiers in the village centre has been considered and giving rise to a range of estimated turnovers from £7.9m to £9.5m. These have been tested and it has been found that neither would significantly affect the conclusions. This is basically because the turnover of the village centre is small compared with the turnovers of the centres concerned.

6.0 Conclusions

6.1 Subject to the restrictions proposed in section 2, the proposal would meet the day-to-day needs of present and future Alderholt residents for retail and food/beverage services and is of an appropriate scale to serve this function. Alderholt is defined as a Rural Service Centre in the Core Strategy (Policies KS2 and KS6). These are defined as main providers of community, leisure, and retail facilities to support the village and adjacent communities in the rural areas. The facilities are currently limited to small foodstore and a pub on the edge of the village and it cannot be said to be performing this function well. Policies LN 7 and PC 5 support the provision of further services in Rural Service Centres. The village centre proposal clearly accords with these policies. The policies do not specifically require sequential site and retail impact assessments for such proposals.

6.2 Policy KS7 states that a sequential assessment is required for proposals for main town centre uses which are not within an existing centre. It is not clear how this relates to proposals brought forward under policies LN7 and PC5. There is no indication that these developments should preferably be in, or on the edge of, town centres. Clearly proposals to serve villages are locationally specific to the village and sites in or on the edge of town centres would not fulfil the intended role. As set out in the Dundee judgment, sites have to be suitable for the development proposed in the application and not for some other way of meeting an identified need. A local centre in Alderholt is proposed and sites in Fordingbridge or Verwood are considered as unsuitable. To be suitable, a site has to be in, or near to, the village. There is no defined centre in Alderholt and there cannot therefore be any sequentially preferable sites within the village. We nevertheless sought to identify any alternative suitable sites in the village and conclude that there are none. If the sequential test does apply to development brought forward under rural service centre policies, there are no suitable sites in Alderholt. The sequential test is therefore passed.

6.3 Under policy KS7, an impact assessment is required for proposals for main town centre uses in out-of-centre locations, with the threshold set at 500 sq. m. Assessments should be proportionate to the scale of development (Practice Guidance para 018). We have carried out a thorough assessment and conclude that there would be no significant impact on any centre. The impact on Verwood is likely to be positive from the start, although much of the benefit would be to the out of centre stores. There is a minor adverse impact on Fordingbridge when the village centre first opens (2030) but it is assessed as neutral by the assessment year (2032) and significantly positive by the end of the development when the population has fully built up.

6.4 There would be a significant impact on the Co-op store in Alderholt. We consider that the stores closure is unlikely, but the risk cannot be ruled out. Policy PC5 seeks to resist the loss of local facilities unless it is demonstrated that they are not viable, and their loss would not result in a substantial decline in the range and quality of services for local people. In the event of the Co-op's closure, the loss of the foodstore would be replaced in the village centre and there would also be a substantial increase in the range of other services for local people.

6.5 It is therefore concluded the village centre proposal complies with the relevant policies KS2, KS6, KS7, LN7 and PC5.

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