South West Milton Keynes

Updated Retail Assessment

Carter Jonas LLP

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1.0 INTRODUCTION

1.01 Carter Jonas LLP (‘CJ’) was commissioned by the South West Milton Keynes Consortium (‘SWMK’) to prepare an updated Retail Assessment (‘RA’) in support of a proposed revision of the outline planning application (15/00314/AOP) for a mixed-use sustainable urban extension on land to the South West of Milton Keynes. The original Retail Statement was prepared in 2014 and whilst there are no revisions to the retail development proposed, there have been changes to national and local planning policy in the intervening period, which are addressed in this RA.

1.02 The applicant is seeking permission for up to 1,855 mixed tenure dwellings including 60 extra care units; an employment area (B1); a Neighbourhood Centre including retail (A1/A2/A3/A4/A5), community (D1/D2) and residential (C3) uses; a primary school; a secondary school, and related works on site allocation D-NLV001 in the submission version of the Vale of Aylesbury Local Plan.

1.03 The proposed development includes provision for a new Neighbourhood Centre to primarily serve the day-to-day shopping and service needs of the forecast new population within the new residential community. This RA examines the capacity for, and potential impact of the small-scale new retail floorspace associated with the new Neighbourhood Centre, principally focussing on the proposal for a new convenience store.

1.04 For ease of reference this RA is structured as follows:

- **Section 2**: provides a description of the proposed development, specifically focusing on the scale, role and function of the proposed Neighbourhood Centre;
- **Section 3:** summarises the relevant national and local planning policies relevant to the assessment of the Neighbourhood Centre from a retail planning perspective;
- **Section 4**: sets out our approach to the sequential test;
- **Section 5**: assesses the need (‘expenditure capacity’) for a new Neighbourhood Centre proposed as part of the wider residential and employment uses proposed for the site, and whether the proposed convenience store and other potential uses will have a significant adverse impact on the vitality and viability of neighbouring centres; and.
- **Section 6**: summarises the key findings of the retail assessment.

2.0 APPLICATION SITE AND PROPOSED NEIGHBOURHOOD CENTRE

The Proposed Neighbourhood Centre

2.01 A new Neighbourhood Centre will form an integral part of the new infrastructure to service the development and will function as a local shopping, service and community hub. The centre is planned to meet the day-to-day needs of the new residents and those employed in the area. It is proposed that the centre will comprise a small convenience store, supported and complemented by a mix of other small scale Class A uses. The centre will be highly accessible to the new SWMK residential community by all modes of transport.

2.02 In terms of its scale and mix of uses the new Neighbourhood Centre is designed and planned to serve a localised need only and will **not** therefore compete with other existing centres in Buckinghamshire and Milton Keynes. The level of retail provision proposed is commensurate to the scale of new housing and employment space proposed for the allocated site in the VALP. Thus, as is demonstrated in **Section 5**, the proposed retail (convenience and comparison) floorspace will not need to draw shoppers and expenditure from outside the SWMK residential and employment area in order to be viable.

2.03 In summary this application is seeking permission for a convenience store of circa 480 sq.m gross. This is equivalent to a sales area of approximately 384 sq.m net[1]. We would expect a small convenience store of this size to appeal to a 'local' format mainstream grocer (such as, for example, Tesco Express, Sainsbury's Local, Co-op, Costcutter, Nisa, etc.), or possibly an independent / local grocer. It is assumed that 90% (circa 366 sq.m.) of the store's retail floorspace will be dedicated to the sale of convenience goods, with the remainder for the sale of ancillary comparison goods. A store of the size proposed is appropriate to the size of the new community and will essentially function as local 'corner shop'. The size of store proposed will ensure that its catchment does not compete or overlap to any degree with the convenience offer in neighbouring centres.

2.04 In addition to the convenience store, the application proposal is also seeking permission for three smaller units of circa 150 sq.m. gross each (i.e. a total floorspace of 450 sq.m. gross) as part of the Neighbourhood Centre's overall offer. These units will need the flexibility in planning terms to accommodate a mix of Class A uses; including shops, services, cafés and restaurants. This is necessary to the commercial success of the centre, as occupation of the units will be led by market interest and demand for representation in the new centre at the time they are presented to the market; most likely towards the later stages of the scheme's development.

2.05 In broad terms the optimum mix of retail and town centre uses in smaller Neighbourhood Centres depends on the scale of the proposed residential development and the new population this is forecast to generate, but a convenience store 'anchor' is vital in commercial terms to help generate sufficient day-to-day trips, footfall and spend to support the complementary uses, including for example:

- Newsagent / post office counter;
- Personal services – for example, hair/ beauty salon, dry cleaners, etc;
- Leisure services – for example a café, coffee shop, restaurant and/or takeaway, and possibly a public house or wine bar depending on the resident population and demand generated;

2.06 Given that these shops and services will depend on the convenience store to generate linked trips and expenditure, it likely that they will not be occupied until after the 'anchor' convenience store unit is let and open for business.

[1] The store's sales area has been derived from the application of a standard gross to net ratio of 80%.

2.07 Although it is not possible therefore at this stage to ‘fix’ the exact mix and composition of the retail floorspace and other town centre uses, as this will be dependent on market demand, the table below provides a breakdown of the likely scale and mix of potential uses that will be needed to sustain a vital and viable Neighbourhood Centre in this case.

Table 2.1 Neighbourhood Centre Proposed Uses – Sales Area and Mix

	PROPOSED FLOORSPACE (SQ.M NET)			
	Convenience A1	**Comparison A1**	**Other A1-A5**	**Total**
Local Convenience Store (1)	365	20	-	384
Other Uses (2)	-	-	360	360
Total	**365**	**20**	**360**	**744**

1) This assumes a convenience store with a gross external area of 480 sq.m, applying a net to gross ratio of 80% to derive the total sales area of 384 sq.m net. It is assumed that 95% of the total sales area will be for convenience good sales, with the residual 5% for comparison goods retailing
2) The other complementary shops and services that could take place in the three other proposed units with a total gross floorspace of 150 sq.m each could include a pharmacy, optician, off-licence, newsagent, dry cleaners, hot food takeaway, café, restaurant, estate agent etc…

2.08 In terms of the phasing and delivery of the Neighbourhood Centre, this will most likely occur following the completion and occupation of the majority of the proposed new homes. This is because, in commercial terms, a maximum local resident population will be needed to support a viable (as measured by turnover and profitability) convenience store and to help secure market demand from operators. Similarly, we anticipate that the other retail and service outlets in the proposed centre will be occupied around the same time or slightly after the convenience store, as this will allow future occupiers to benefit from a settled pattern of trips, footfall and trading.

3.0 PLANNING POLICY

3.01 This section provides an overview of the relevant national and local planning policy pertaining to the development site, along with other relevant material documents. Section 70(2) of the Town and Country Planning Act 1990 and Section 38(6) of the Planning and Compulsory Purchase Act 2004 require planning applications to be determined in accordance with the statutory development plan, unless material considerations indicate otherwise.

3.02 In this case the development site is located within the administrative boundary of Buckinghamshire Council (formerly Aylesbury Vale District Council) but is also immediately adjacent to the south-western boundary of the administrative authority of Milton Keynes Council. This provides an additional administrative and influential policy context for the development site. The following therefore provides a brief overview of the relevant policies and provisions of the adopted and emerging development plans that may be relevant to our assessment of the retail planning merits of the proposed SWMK Neighbourhood Centre.

Adopted Development Plan

Aylesbury Vale District Local Plan

3.03 The relevant Development Plan Document ('DPD') for Aylesbury Vale is currently made up of the saved policies of the ***Aylesbury Vale District Local Plan (AVDLP) 2001 - 2011*** (2004)[2] and neighbourhood plans. In addition a number of non-statutory supplementary planning guidance documents were produced to support planning policies. There are no specific saved retail policies pertaining to the development site. The supporting text of the AVDLP states (inter alia) that Aylesbury town centre is defined as a sub-regional shopping centre. Aylesbury (along with High Wycombe) is second only in Buckinghamshire to Milton Keynes in the hierarchy of shopping centres. A key retail policy of the now revoked Buckinghamshire County Structure Plan was that the role of such centres, as the central focus of shopping activity within their catchments, should be maintained and enhanced. There are no further saved policies of relevance.

Other Material Planning Policy Considerations

National Planning Policy Framework

3.04 The latest version of the NPPF was revised and published in February 2019. At the heart of the NPPF is a presumption in favour of sustainable development, which is defined as *"meeting the needs of the present without compromising the ability of future generations to meet their own needs"*[3] (paragraph 7). The NPPF states that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

3.05 Of particular relevance to this retail assessment, Section 7 of the NPPF is concerned with *"**ensuring the vitality of town centres**"*. Paragraphs 85-90 have replaced paragraphs 23-27 of the 2012 NPPF. Paragraphs 86-90 specifically set out a revised policy wording with regard to the sequential and impact tests for retail, leisure and main town centres that are neither in an existing centre, nor in accordance with an up-to-date development plan.

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[2] http://www.aylesburyvaledc.gov.uk/section/adopted-aylesbury-vale-district-local-plan-avdlp

[3] Resolution 42/187 of the United Nations General Assembly

3.06 Paragraphs 86-87 require main town centre uses which are not in an existing centre or accordance with an up-to-date plan to be subject to a **sequential test,** with main town centre uses focused in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered. When considering edge of centre and out of centre proposals, the NPPF states that preference should be given to accessible sites that are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored

3.07 An **impact test** is set out in paragraph 89. It applies to retail and leisure developments proposed outside of town centres that are not in accordance with an up-to-date plan and requires an assessment of impact on: (a) existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and (b) town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme). An impact assessment should also only be required if the proposed floorspace is over a *"default threshold"* of 2,500 sq.m. gross as set by the NPPF (paragraph 89), or over a proportionate *"locally set floorspace threshold"* if lower than the *"default".* In this case there is no locally set threshold in the adopted Aylesbury Vale District Local Plan (2004) and therefore an impact assessment would not normally be required. However, it is noted that emerging Policy E5 of the Vale of Aylesbury Local Plan does set a local threshold of 400 sq.m gross if it is considered likely that the proposal will affect a defined town centre and the site is not allocated in the Local Plan. For the reasons set out below, we consider that weight can be applied to this policy at this stage, even though the plan has not been adopted at the time of preparing this Retail Assessment. To help inform the Council's decision-taking, we have therefore carried out a robust and proportionate impact assessment in support of the new Neighbourhood Centre designed to meet the day-to-day convenience and service needs of the SWMK residential community. This assessment is set out in **Section 4** and reviews the localised expenditure capacity generated by the new residential population to support new retail and town centre uses and, in this context, whether the proposed scale and type of floorspace proposed will impact on other nearby centres and stores.

3.08 Paragraph 90 of the 2018 NPPF advises that: *"Where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the considerations in paragraph 89, it should be refused."*

3.09 Paragraph 104 of the NPPF provides that planning policies should support an appropriate mix of uses across and area, and within larger scale sites, to minimise the number and length of journeys needed for shopping. Paragraph 91 provides that planning policies and decisions should aim to achieve healthy, inclusive and safe places which enable and support healthy lifestyles, for example through the provision of local shops and paragraph 92 explains that in order to provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should plan positively for the provision and use of community facilities, including local shops.

Draft Vale of Aylesbury Local Plan

3.10 The *'Proposed Submission'* version of the emerging ***Submission Vale of Aylesbury Local Plan 2013-2033*** ('2017 VALP') was submitted for Examination in Public ('EiP') in February 2018 . The Inspector published Interim Findings on 29th August 2018 and the Council consulted on major modifications during November and December 2019.

3.11 The Policies Maps (see Section 13 of 2017 AVLP) are a key element of the Local Plan and identify areas to be allocated for development and designations which need to be taken into account in applying policies. The SWMK application site on the edge of Milton Keynes/Bletchley has been identified as an appropriate strategic allocation to meet housing requirements. The SWMK development site is covered by **Policy D-NLV001** which provides for housing development accompanied by employment uses and a Neighbourhood Centre with retail provision, infrastructure services and facilities.

3.12 The key retail policies and provisions in the emerging 2017 VALP in relation to the Proposed Development are set out in Section 6 (*'Economy'*) and illustrated by the Policies Maps in Section 13.

3.13 **Policy E5** as Proposed to be Modified specifically sets out how the local planning authority will assess applications for main retail and town centre uses outside town centres. The policy states that a sequential test will be applied to planning applications for main town centre uses that are not in an existing centre. An impact assessment is required for any proposal of greater than 400 sq.m. which are not allocated in the Local Plan and likely to affect a designated town centre.

Plan:MK

3.14 The Proposed Development borders the administrative boundary of Milton Keynes Borough Council. The **Plan: MK** was adopted in March 2019. **Policy ER10** details the character and function of the retail hierarchy. CMK is defined as a City Centre, and Bletchley, Kingston, Westcroft and Wolverton are defined as Town Centres. The policy states that planning permission will be granted for additional retail development and other town centre uses within the defined town centres. The policy also states that planning permission will be granted for retail and service uses to serve new areas of residential development and that the scale of retail and service provision to be provided will be determined in Development Frameworks.

3.15 The Plan also allocates sites for the provision of new local centres. **Policy ER15** states that outside of these allocated sites, new local centres will also be required in new residential developments of 500 dwellings or more. They should be located so that majority of all new dwellings are within 500 metres walking distance of a Local Centre.

Summary

3.16 In summary, national policy supports sustainable development and seeks to ensure that applications for new retail and town centre uses proposed outside of defined town centres and not in accordance with adopted up-to-date plans do not have a significant adverse impact on the vitality and viability of existing centres. The NPPF requires application of a sequential test where proposals are not in accordance with an up-to-date Local Plan and sets a default threshold of 2,500 sq.m. for an impact assessment if there is no locally set threshold.

3.17 The Vale of Aylesbury Local Plan, whilst not adopted, is substantially advanced and allocates the Proposed Development site (Policy D-NLV001) for the provision of housing and employment, including the provision of a Neighbourhood Centre with retail uses to serve the development's future occupiers. It is considered that significant weight should be afforded to this position. The retail provision within the proposed neighbourhood centre falls substantially below the NPPF impact assessment threshold at 930 sq.m. gross.

3.18 There is no impact assessment threshold set within the adopted Aylesbury Vale District Local Plan (2004). However, the emerging Vale of Aylesbury Local Plan sets a threshold of 400 sq.m. if the proposal is considered likely to affect a designated town centre and is not allocated in the Local Plan (Policy E5).

4.0 SEQUENTIAL ASSESSMENT

4.01 SWMK is planned and designed as a self-sufficient sustainable community in accordance with national and local plan objectives. The SWMK area on the edge of Milton Keynes/Bletchley has also been identified as an appropriate strategic allocation for new housing and employment uses, and is allocated in the emerging Vale of Aylesbury Local Plan 2013-2033 under **Policy D-NLV001** (as shown on the Policies Map) for a mix of uses including up to 1,855 mixed tenure dwellings; an employment area (B1) and a Neighbourhood Centre including retail (A1/A2/A3/A4/A5), community (D1/D2) and residential (C3) uses. In the context of the NPPF (paragraph 48) we consider that significant weight can and should be afforded to the emerging VALP. On this basis the proposed Neighbourhood Centre should not be subject to a formal sequential assessment which requires the consideration of the availability and suitability of sites in town centre and edge of centre locations as the purpose of the Neighbourhood Centre is to meet the needs of the proposed development and provide for a sustainable development and the emerging VALP identifies it as a location suitable to accommodate retail provision as part of a sustainable mixed-use development.

4.02 Advice and guidance set out in the *Planning Practice Guidance* accompanies and clarifies the provisions and policies set out in the NPPF. The guidance states that the use of the sequential test should recognise that certain main town centre uses have particular market and locational requirements which mean that they may only be accommodated in specific locations[4]. For the reasons set out in **Section 2** to this Retail Assessment and elsewhere in the report, it is clear that the proposed Neighbourhood Centre is planned and designed to meet the day-to-day convenience and service needs of the new SWMK residential community, along with the local workforce. The Neighbourhood Centre will be anchored by a small convenience store (or 'corner shop'), together with three smaller units that are designed to accommodate a range of smaller Class A uses. These smaller units could accommodate other convenience and non-food shops, but it is more likely in commercial terms that they will attract a mix of Class A2 (services) and Class A3-A5 (cafés, coffee shops, restaurants and/or take-away outlets) uses.

4.03 Alongside the local shops community uses are planned and may comprise: commercial floorspace; a community centre; a school; and health provision. The total development plot planned for the proposed Neighbourhood Centre will extend to some 0.67 hectares.

4.04 It follows that the proposed Neighbourhood Centre and other uses are *'location-specific'* in that they are planned and designed to meet the needs of the new residential community and workforce and are encouraged through draft policy D-NLV001 of the emerging VALP. This infrastructure could not sensibly be accommodated within another centre nearby and it would be clearly inappropriate to do so as the elements that make up the Neighbourhood Centre are required to serve the daily needs of the SWMK community.

4.05 In summary, in line with the objectives of the NPPF, the new facilities at the neighbourhood SWMK will cater for day-to-day shopping requirements and community needs. As such it would be inappropriate to locate facilities that seek to serve a localised catchment area elsewhere.

[4] PPG. Paragraph 011. Reference ID: 2b-011-20140306

5.0 RETAIL NEED AND IMPACT STATEMENT

5.01 This section provides an overview of the need ('economic capacity') for new retail (convenience and comparison) floorspace to support a viable Neighbourhood Centre as defined in the application; and a robust and proportionate assessment of the potential trade diversion from and impact on existing centres.

Approach & Scope of Assessment

5.02 The assessment of the need for the new retail floorspace proposed as part of the Neighbourhood Centre, and the potential impact on existing centres has been prepared in the context of the NPPF (paragraph 89) and the *Planning Practice Guidance* (PPG). As described in **Section 3**, for applications proposed outside of town centres that are not in accordance with an up-to-date plan and are over a locally set floorspace threshold the NPPF requires an assessment of their impact on:

i) existing, committed and planned public/private investment in centres in the catchment of the proposal; and
ii) the vitality and viability of town centres, including local consumer choice and trade in the town centre and wider retail catchment (as applicable to the scale and nature of the scheme).

5.03 The PPG (Paragraph 015. Reference ID: 2b-015-20140306) is also clear that the impact test should be undertaken in a *"proportionate"* and *"locally appropriate wa*y", drawing on existing information where possible.

5.04 It is in the context of the advice set out in the NPPF and PPG that account needs to be taken at the outset of the scale, role and likely catchment of the proposed Neighbourhood Centre.

5.05 As described in Section 3, the key objective of both national and local policy is the promotion of sustainable development and communities. The provision of local retail and service facilities in the proposed Neighbourhood Centre are purely designed to meet the day-to-day needs of the new residential community and those working in the SWMK employment uses[5] (see Section 2). The Neighbourhood Centre will therefore help to meet both national and local planning policy objectives. Without such provision at the local level, future residents and others working in the area will necessarily have to travel longer and more unsustainable distances by car and/or public transport to the nearest stores to satisfy their basic day-to-day food and non-food needs, as well as to use other services (such as, for example, hairdressers, banks, estate agents, dry cleaners, cafés, coffee shops, restaurants, takeaways, etc.).

5.06 Furthermore, the small number (circa four units) and scale of floorspace (930 sq.m. gross) proposed for the SWMK Neighbourhood Centre, and the type of shops and services targeted, will not compete "like-against-like" with existing larger town, district and local centres in Aylesbury Vale or neighbouring Milton Keynes for main food or non-food shopping purchases, or other services and commercial leisure uses. As stated above, the role, function and purpose of the Neighbourhood Centre is to meet the immediate retail and service needs of the new SWMK residential community and the employees associated with the proposed employment uses. The catchment of the proposed Neighbourhood Centre will therefore be largely confined to the SWMK residential area, and it is not envisaged that it will extend beyond this, such that it overlaps with the catchments of other existing local centres and stores.

5.07 As we demonstrate below, this means that the overall turnover and viability of the proposed retail floorspace will be very much sustained and supported by the retail (food and non-food) expenditure of local residents and those employed within the proposed development. It will not therefore need to draw shoppers and expenditure

[5] This include the workforce who also live in the SWMK area, as well as those who will live outside the SWMK area and commute to the employment uses

from other centres and shops beyond the SWMK ‘boundary’, and it will not therefore have an impact on their trade and/or vitality and viability.

5.08 It is against this background that we have carried out the following proportionate ‘step-by-step’ assessment of the economic need for and potential impact of the Class A1 element of the proposed Neighbourhood Centre

- **Step 1** – sets out the assumed phasing of the 1,855 new dwellings proposed (see paragraph 1.2 above) and our projections of the resident population based on average household sizes sourced from Aylesbury Vale District Council’s 2013 Strategic Housing Market Assessment (SHMA).
- **Step 2** – forecasts the total available convenience and comparison goods expenditure that will be generated by the new residential population over the forecast period, up to 2031.
- **Step 3** –sets out the potential retail (convenience and comparison) turnover of the proposed convenience store, and also makes some high level assumptions as to the likely food/non-food offer of the other three shops that will form the Neighbourhood Centre’s offer.
- **Step 4** – compares the forecast retail (convenience and comparison) turnover of the proposed convenience store and other floorspace, with the total available expenditure generated by the proposed residents at 2031. This provides a robust economic assessment of whether there will be a “shortfall” in expenditure to support the proposed retail floorspace. If there is an identified shortfall of expenditure that cannot be sourced from the SWMK area, it will mean that the proposed convenience store will need to draw shoppers and retail expenditure from beyond the residential community, which could result in a potential impact on existing stores and centres

5.09 Section 2 has identified that attracting a convenience store ‘anchor’ will be key to the overall vitality and viability of the proposed Neighbourhood Centre. Although the convenience store will comprise a small proportion of ancillary comparison goods floorspace (possibly up to 10% of its total sales area) this will not have the critical mass to compete “like-against-like” with the non-food offer of existing centres in Aylesbury Vale and Milton Keynes. It is also highly unlikely from a commercial perspective that the other three small-scale units proposed for the Neighbourhood Centre will attract a comparison goods retailer. For this reason our assessment is principally focused on the capacity for and impact of the proposed convenience store.

Step 1: SWMK Population Projections

5.10 The SWMK application is seeking permission for up to 1,855 new dwellings. It is expected that these new dwellings will be delivered over a ten-year period, between 2022 and 2031, in line with the indicative phasing plan set out in Table 5.1 below.

Table 5.1 SWMK development – Projected Housing Delivery and Population

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Forecast New Dwellings Per Annum	25	100	200	250	250	250	250	250	250	30	1,855
Total Population - Annual	62	247	494	618	618	618	618	618	618	74	4,585
Total Population - Cumulative	-	309	803	1,421	2,039	2,657	3,275	3,893	4,511	4,733	4,585

Note: Total population forecasts are based on an average household size of 2.47 persons per dwelling. The average household size for the purpose of this assessment is informed by the Aylesbury Vale Strategic Housing Market Assessment: Validation Study – Final Report (February 2013). In this case it is assumed to be the midway point between the average household size in 2011 and 2031 as quoted in Fig 49.

5.11 For the purpose of our assessment we have assumed an average household size of 2.47 persons per dwelling. This average household size is informed by Aylesbury Vale District Council's 2013 SHMA (Figure 49). On this basis Table 5.1 shows a total projected population of 4,585 persons in the SWMK development at 2031.

Step 2: Total available Retail Expenditure

5.12 Table 5.2 sets out our estimates of the total available retail (convenience and comparison) goods expenditure per head in 2017.

Table 5.2. SWMK Development – Retail (Convenience and Comparison) Expenditure Per Capita Forecasts, 2017-2031

	2017	2022	2027	2031
Convenience Goods	£1,962	£1,934	£1,948	£1,952
Comparison Goods	£2,995	£3,293	£3,825	£4,478

Source: Milton Keynes Retail and Leisure Study 2018. Appendices 11-12 (Table 2)

Note: Expenditure per capita figures exclude expenditure on Special Forms of Trading (SFT – including online shopping) that is not sourced/purchased directly from shops. The SFT market shares at 2017 were informed by the findings of the household survey conducted to inform the 2018 MKRLS (i.e. 1.5% for convenience goods and 15.2% for comparison goods) The forecast growth in SFT to 2031 is based on the year-on-year forecasts published by Experian Business Strategies in the Retail Planner Briefing Note, as set out in the 2018 MKRLS

5.13 This baseline average expenditure estimates have been sourced from the 2018 *Milton Keynes Retail and Leisure Study* ('2018 MKRLS') and exclude non-store retail expenditure[6]. The expenditure figures specifically apply to Zone 2 of the widely defined study area identified by the 2018 MKRLS, within which the SWMK development site is located.

5.14 The expenditure per capita forecasts up to 2031 are also sourced from the 2018 MKRLS. These have been derived by applying the annual expenditure growth rates published by Experian in their latest available *Retail Planner Briefing Note.*

5.15 Table 5.3 sets out the total available retail (convenience and comparison) expenditure within the SWMK area over the forecast period (excluding expenditure on Special Forms or Trading).

Table 5.3. SWMK Development – Total Available Retail (convenience and Comparison) Expenditure 2017-2031

	2017	2022	2027	2031
Total Forecast Population (1)	-	62	2,657	4,585
Total Available Expenditure				
Convenience Goods (2)	-	£119,908	£5,175,836	£8,949,920
Comparison Goods (3)	-	£204,166	£10,163,025	£20,531,630
Total (4)	**-**	**£324,074**	**£15,338,861**	**£29,481,550**

Notes: (1) Total forecast population in SWMK Development Area sourced from Table 5.1. (2/3) Total forecast convenience and comparison goods expenditure derived by multiplying the projected population by the available expenditure per capita at the forecast year. (4) Total forecast comparison and convenience goods expenditure derived by adding together (2) & (3) above.

[6] Otherwise referred to as 'Special Forms of Trading' (SFT), which included online purchases and mail order shopping.

5.16 As the table shows, the total available retail expenditure from the SWMK site is forecast to increase from circa £324,000 in 2022 to circa £29.5 million in 2031 after all the residential units have been delivered and occupied. The forecast shows that convenience spend will account for approximately 30% (£8.9m) of the total available expenditure at 2031 and comparison spend will account for the remaining 70% (£20.5m).

5.17 In summary, it is clear that the 1,915 new homes planned for the SWMK area and the predicted population of 4,585 persons by 2031 will generate a significant quantum of new convenience and comparison goods expenditure that will be available to support the new retail floorspace proposed as part of the planned Neighbourhood Centre, as well as support the vitality and viability of existing centres and stores outside of the SWMK area.

Step 3: Potential Turnover of Proposed Convenience Store

5.18 This step in the retail assessment sets out our forecasts of the potential turnover of the proposed convenience store. This analysis will help identify whether the retail expenditure generated by SWMK's projected population at 2031 can sustain the proposed retail floorspace without the need to draw additional expenditure from beyond the SWMK site.

5.19 Table 5.4 sets out our estimates of the convenience and comparison goods sales area of the proposed store, its turnover at the base year (2018) and the predicted growth in turnover over the forecast period, to 2031.

5.20 Please note that we anticipate that the convenience store and other units proposed as part of the planned Neighbourhood Centre will be delivered and opened towards the end of the forecast period (i.e. by 2031), as they will less attractive to potential end users without the necessary local catchment population and expenditure to support their trading requirements.

Table 5.4. Convenience Store – Forecast Convenience and Comparison Good Turnover 2018-2031

	1		2	3	4	5	6	7	8
	Floor Area of Proposed Convenience Store		Assumed Net/Gross Ratio	Assumed Food/Non-Food Sales Area	Benchmark Turnover	2018 Total Store Turnover	2023 Total Store Turnover	2028 Total Store Turnover	2031 Total Store Turnover
	sq.m gross	sq.m net	%	sq.m net	£ per sq.m	£ million	£ million	£ million	£ million
Local Convenience Store									
Convenience	-	-	90	346	10,000	3.46	3.45	3.46	3.47
Comparison	-	-	10	38	6,000	0.23	0.26	0.29	0.31
Total	**480**	**384**	**100**	**384**	**-**	**3.69**	**3.71**	**3.75**	**3.78**

Notes:
Col1 – The sales area of the proposed convenience store has been derived by applying a standard net/gross ratio of 80% to the proposed gross area of 480 sq.m. The residual 20% will be set aside for storage etc…
Col2 – For the purpose of this assessment it has been assumed that convenience goods retailing will account for up to 90% of the total estimated sales area. This is broadly in line with the food/non-food split of comparable convenience stores.
Col3 – The net sales area for convenience and comparison goods has been derived by applying the net/gross (Col2) to the estimated sales area (Col1).
Col4 The assumed average sales density for the proposed store is based on the published sales densities for comparable convenience stores sourced from Mintel 'UK Retail Rankings' and also takes into account local circumstances.
Col5 – The total convenience and comparison goods turnover at 2018 has been derived by multiplying the average sales densities (Col4) with the sales area (Col3).
Col6-8 – The forecast growth in convenience and comparison goods turnover to 2023, 2028 and 2031 is informed by the latest 'floorspace productivity (turnover efficiency) annual growth rates published by Experian in the latest Retail Planner Briefing Note. For convenience goods sales densities the annual growth rates are -0.2% for 2019, 0% for 2014-2025 and +0.1% for 2025-2036. For comparison goods the growth rates over the time periods are +1.8%, +2.3% and +2.2% per annum.

5.21 As the table shows we estimated that up to 90% (346 sq.m. net) of the sales area of the proposed store will be set aside for food and convenience goods sales. This is in line with the standard food/non-food split of comparable convenience stores. We have assumed that the convenience sales area of the store will achieve an average sales density of £10,000 per sq.m. which results in a total convenience turnover of £3.46m in 2018. This average sales figure is informed by published turnover figures for a range of grocery operators, and also by our assessment of the likely trading performance of the store based on its location, size, role and the potential occupier.

5.22 The smaller comparison sales area of 38 sq.m is estimated to achieve an average sales level of £6,000 per sq.m. which produces a comparison turnover of £0.23m.

5.23 The total forecast (convenience and comparison) turnover of the proposed store at 2018 will therefore be £3.69m. This is forecast to increase to £3.78m by 2031.

5.24 Although we consider that it is more likely in commercial terms that the other three units proposed for the Neighbourhood Centre will be occupied by non-retail (i.e. Class A2-A5) business, we have nevertheless modelled an impact scenario which assumes that half (50%) of the sales area of this 'other' floorspace will be set aside for convenience (25%) and comparison (25%) sales. The sales area and forecast turnover of this 'other' floorspace is set out in Table 5.5 below.

Table 5.5 Other Potential Class A1 Floorspace – Forecast Convenience and Comparison Goods Turnover 2018-2031

	1		2	3	4	5	6	7	8
	Floor Area of Proposed Convenience Store		Assumed Net/Gross Ratio	Assumed Food/Non-Food Sales Area	Benchmark Turnover	2018 Total Store Turnover	2023 Total Store Turnover	2028 Total Store Turnover	2031 Total Store Turnover
	sq.m gross	sq.m net	%	sq.m. net	£ per sq.m	£ million	£ million	£ million	£ million
Local Convenience Store									
Convenience	-	-	25	90	7,500	0.68	0.67	0.68	0.68
Comparison	-	-	25	90	6,000	0.54	0.60	0.67	0.72
Total	**450**	**360**	**50**	**180**	**-**	**1.22**	**1.28**	**1.35**	**1.40**

Notes:
Col1 – The sales area of the proposed convenience store has been derived by applying a standard net/gross ratio of 80% to the proposed gross area of 450 sq.m. The residual 20% will be set aside for storage etc…
Col2 – For the purpose of this assessment it has been assumed that 50% of the 'other' floorspace could be equally split between convenience and comparison goods.
Col3 – The net sales area for the other convenience and comparison goods has been derived by applying the net/gross (Col2) to the estimated sales area (Col1).
Col4 The assumed average sales density for the proposed store is based on the published sales densities for comparable convenience stores sourced from Mintel 'UK Retail Rankings' and also takes into account local circumstances and the likely occupiers (e.g. newsagent, etc…)
Col5 – The total convenience and comparison goods turnover at 2018 has been derived by multiplying the average sales densities (Col4) with the sales area (Col3).
Col6-8 – The forecast growth in convenience and comparison goods turnover to 2023, 2028 and 2031 is informed by the latest 'floorspace productivity (turnover efficiency) annual growth rates published by Experian in the latest Retail Planner Briefing Note. For convenience goods sales densities the annual growth rates are -0.2% for 2019, 0% for 2014-2025 and +0.1% for 2025-2036. For comparison goods the growth rates over the time periods are +1.8%, +2.3% and +2.2% per annum.

5.25 As the table shows, this 'other' floorspace is forecast to achieve a total convenience goods turnover of £0.68m by 2031 and a comparison goods turnover of £0.72m. We have reasonably assumed that the 'other' convenience floorspace will trade at a slightly lower average sales level of £7,500 per sq.m. than the proposed convenience store.

5.26 In total we forecast that the proposed Neighbourhood Centre could potentially achieve a total retail turnover of £5.17m in 2031. Approximately 80% (£4.15m) of this forecast turnover will be accounted for by convenience goods sales and the residual 20% (£1.02m) by comparison goods sales. However, for the reasons set out above, we consider that this total turnover is on the high side, as we do not believe that the 'other' units in the Neighbourhood Centre will be commercially attractive to other Class A1 (food/non-food) retailers given their size and the likely occupation of the principal convenience store (2.03 above).

Step 4: Economic Capacity for New Retail Floorspace & Impact

5.27 Having established the total available retail (convenience and comparison) expenditure generated by the projected population in the SWMK area [Steps 1 & 2], and the total forecast retail (convenience and comparison) turnover of the convenience store and 'other' potential Class A1 retailing in the Neighbourhood Centre, the next key step in the assessment identifies whether the forecast expenditure at 2031 can sustain the proposed Neighbourhood Centre's retail floorspace without the need to draw additional expenditure from outside the SWMK area.

5.28 Table 5.6 shows that the total forecast convenience turnover of the proposed Neighbourhood Centre of £4.15m represents 45% of the total convenience expenditure generated by the projected SWMK population in 2031. The centre's total forecast comparison goods turnover represents a much smaller proportion (5% or £1.02m) of the total comparison expenditure generated by the SWMK population.

Table 5.6 SWMK Development – Capacity for New class A1 Retail Floorspace at 2031

	1	2	3	4	
	Total Available Expenditure Generated in SWMK @2031	**Forecast Turnover of Proposed Convenience Store & Other Potential Class A1 Floorspace**	**Turnover of Class A1 Floorspace as % of Total Available Expenditure in SWMK**	**Forecast Turnover of Proposed Convenience Store Only**	**Turnover of Convenience Store Only as % of Total Available Expenditure in SWMK**
	£	**£**	**%**	**£**	**%**
Convenience goods	8,949,920	4,151,684	46	3,473,304.17	39
Comparison goods	20,531,630	1,023,289	5	306,030.49	1
Total	**29,481,550**	**5,174,973**	**18**	**3,779,335**	**13**

Notes:
Col1 – Total forecast available expenditure at 2031 sourced from Table 4.3
Col2 – Total forecast turnover of the proposed Class A1 (food and non-food) floorspace sourced from Tables 4.4 & 4.5
Col3 – Derived by dividing Col1 by Col2
Col4 - Turnover of convenience store only derived from Table 4.4

5.29 Put another way, the residual 54% (£4.8m) of convenience expenditure and 95% (£19.51m) of comparison expenditure generated by the SWMK population at 2031 will be available to other shops and stores outside the development area. This represents a total of approximately £25.31m of residual retail expenditure that will help to support the turnover, vitality and viability of other centres and shopping locations, including Bletchley and Milton Keynes.

5.30 Table 5.6 also shows that if the ‘other’ proposed floorspace is not used for the sale of Class A1 (food and non-food) goods, then the convenience store by itself will only account for circa 39% of the total available convenience goods expenditure at SWMK area at 2031 and 1% of the available comparison goods expenditure.

5.31 It should also be noted that this retail capacity and impact assessment does not take into account the additional retail expenditure that could potentially flow to the Neighbourhood Centre from those working in the other proposed employment uses at SWMK, but who live outside the site.

Summary

5.32 In summary, it is clear that the proposed SWMK development will be highly sustainable. The limited scale of convenience and comparison retailing proposed as part of the SWMK development is planned and designed to principally meet the needs of its local residents and is encouraged in the emerging VALP as part of a sustainable mixed-use scheme.

5.33 A robust and proportionate capacity and impact assessment has confirmed that the retail expenditure generated by the projected resident population at 2031 will easily support the proposed convenience store and other potential Class A1 retail. The Neighbourhood Centre will not need to divert trade from existing centres and stores to sustain it and for it to be a viable commercial proposition.

5.34 The limited retail floorspace proposed for SWMK will not therefore have a detrimental or significant adverse impact on the vitality and viability of existing centres and shopping destinations, such as Westcroft, Bletchley and Central Milton Keynes.

5.35 The scale of retail floorspace proposed and the likely timescales for the delivery of this floorspace will not result in any adverse impact on any existing, planned or committed investment in nearby centres.

5.36 Furthermore, should investment come forward in the future, the limited scale of the convenience store and other potential Class A1 retail that could form part of the SWMK proposal would not limit the scope for further retail development and investment in any centre.

5.37 Far from having a negative impact on existing centres, the capacity and impact assessment has clearly demonstrated that SWMK’s projected population at 2031 will generate substantial residual retail (convenience and comparison) expenditure to support the turnover, vitality and viability of other centres and stores nearby, including Bletchley and Milton Keynes. This is a significant **positive impact** of the SWMK scheme.

6.0 CONCLUSION

6.01 Carter Jonas LLP ('CJ') was commissioned by the South West Milton Keynes Consortium ('SWMK') to prepare an updated Retail Assessment in support of the outline planning application for a mixed-use sustainable urban extension on land to the South West of Milton Keynes.

6.02 In summary, the Applicant is seeking permission for up to 1,855 mixed tenure dwellings including 60 extra care units; an employment area (B1); a Neighbourhood Centre including retail (A1/A2/A3/A4/A5), community (D1/D2) and residential (C3) uses; a primary school; a secondary school; and related works.

6.03 The proposed development includes provision for a new Neighbourhood Centre to primarily serve the day-to-day shopping and service needs of the forecast new population within the new residential community. The application is seeking permission for a Class A1 food/convenience store ('corner shop') of circa 480 sq.m. gross (384 sq.m. net). The remainder of the centre will comprise three smaller units of circa 150 sq.m. gross each (i.e. a total floorspace of 450 sq.m. gross). These units will need the flexibility in planning terms to accommodate a mix of Class A uses; including shops, services, cafés and restaurants.

6.04 In terms of the national and local plan policy pertaining to the assessment and determination of the application, Section 3 has highlighted that there is policy support for the scheme in the **Submission Vale of Aylesbury Local Plan**. The site is allocated for new sustainable residential and employment uses, including a Neighbourhood Centre to serve the local community, and is covered by **Policy D-NLV001**. In the context of the NPPF (paragraph 48) we consider that significant weight can and should be afforded to this policy allocation.

6.05 In terms of the sequential test, we have demonstrated in Section 4 that the proposed Neighbourhood Centre is 'location-specific' and cannot be disaggregated from the wider proposed development for SWMK. It is specifically planned and designed to meet the day-to-day needs of the local residential community, as encouraged by the NPPF and the emerging VALP and this could not be achieved in a sustainable manner if the Neighbourhood Centre and other key community uses were to be arbitrarily located in other centres and sites.

6.06 In Section 5 we have also demonstrated that there will be sufficient expenditure capacity generated by the new residential population projected for SWMK by 2031 to support the potential retail element of the proposed Neighbourhood Centre and specifically the need for a new 'anchor' convenience store. The Neighbourhood Centre and convenience store will not therefore need to draw shoppers and retail expenditure from beyond SWMK to sustain a commercially viable and profitable turnover. It therefore follows that it will not have a significant adverse impact on neighbouring centres or stores.

6.07 Moreover, far from having a negative impact on existing centres, the capacity and impact assessment has clearly demonstrated that SWMK's projected population at 2031 will generate substantial residual retail (convenience and comparison) expenditure to support the turnover, vitality and viability of other centres and stores nearby, including in Bletchley and Milton Keynes. This is a significant **positive impact** of the SWMK development that has to be taken into account by the local planning authority as part of its overall decision taking on this application, alongside the significant new jobs that will be generated by SWMK's other employment uses.