

# ***Planning applications by Tesco and Sainsbury's***

## ***Summary of the key issues***

### ***A. Background***

1. The proposed Sainsbury's store would have 40,538 sq ft of net retail sales area, which is bigger than Waitrose (15,820 sq.ft) and the existing Tesco (24,540 sq.ft) put together (figures taken from Sainsbury's planning application). The Sainsbury's application says that their store would be 70% food and 30% non-food, equivalent to roughly 28,400 sq.ft of food sales area and 12,200 sq.ft of non-food sales area.
2. The Tesco's extension would have 13,700 sq.ft net retail sales area (ie some 56% bigger than at present) plus 2,000 sq ft for a new café. The Tesco application says that their extension would be 30% food and 70% non-food, equivalent to roughly 4,100 sq.ft of food sales area and 9,600 sq.ft of non-food sales area.
3. Either application would therefore have an increase of non-foods area of in excess of 2/3rds the total size of Waitrose. Sainsbury's do not say what their non-foods sale offering would be. Tesco identify their proposed non-food goods as including clothes, entertainment and books, small domestic appliances, sports goods, card/party ranges, health and beauty goods, kitchenware and small electrical items. All, or almost all, of these items are of course already sold by town centre shops.
4. The food sales areas will compete directly with Waitrose and the other town centre food shops. They will also have a potentially larger indirect impact - anyone who moves their shopping from Waitrose to Sainsbury or Tesco will no longer be coming into town and will therefore not be making associated trips to non-food stores, cafes and other amenities in the town centre.

### ***B. Planning background***

5. The applications are in breach of the key principles of national, regional and local planning policy (including the Uttlesford Local Plan).
  6. The Government published revised national planning policy on 29 December 2009 (Planning Policy Statement 4, or PPS4). Its overarching objective is "sustainable economic growth". This is defined as "*Growth that can be sustained and is within environmental limits, but also enhances environmental and social welfare and avoids greater extremes in future economic cycles*". To help achieve this objective, PPS4 the Government's objectives for planning are to:
    - a. "*deliver more sustainable patterns of development, reduce the need to travel, especially by car and respond to climate change*"; and
    - b. "*promote the vitality and viability of town and other centres as important places for communities. To do this, the Government wants:*
      - i. *new economic growth and development of main town centre uses to be focused in existing centres, with the aim of offering a wide range of services to communities in an attractive and safe environment and remedying deficiencies in provision in areas with poor access to facilities.*
- Out of town centre supermarkets of course directly contravene these objectives, by diverting trade away from town centres and increasing the need to travel.
7. The Uttlesford District Local Plan identifies no need for further supermarket expansion, and therefore no provision is made in the plan for it. Indeed, a large part of the Sainsbury's site is identified in the Local Plan as "key employment land"; as such, it is specifically restricted from any change of use, such as to retail use.
  8. More detail on the planning background is set out in our main submissions.

### **C. Lack of need for more supermarket development and impact on Saffron Walden and district**

9. There is no need for the applications. Saffron Walden already has two large supermarkets as well as smaller store provision. In a report made by the Competition Commission in 2008, it was found that 99% of areas which have two nearby supermarkets have a population of at least 34,000 within a 20 minute drivetime. As Saffron Walden has two supermarkets and barely this level of population within a 20 minute drivetime if at all, the Competition Commission Report shows no theoretical lack of retail provision either. Indeed, the CC Report says that 95% of areas which have two nearby supermarkets have a population of at least 48,000 within 20 minutes drivetime, which is vastly more than the Saffron Walden catchment area.
10. More directly relevant, studies have been commissioned by each of Uttlesford District Council, Tesco and Sainsbury on retail demand. Each shows that very little food and related expenditure from the Saffron Walden area is spent outside Saffron Walden and that there is very little “leakage” outside the area. Each study divides Uttlesford into 3 or 4 areas, centred around Saffron Walden, Great Dunmow, Thaxted and Stansted Mountfichet. Each study came to almost the same conclusion, that for the north of Uttlesford, Saffron Walden retains around 84% of available expenditure (and it should be remembered that large parts of north Uttlesford are closer to Haverhill or Royston than to Saffron Walden, so this represents an even larger percentage of the realistic Saffron Walden catchment area), Great Dunmow retains a similar proportion of expenditure in the south-east of Uttlesford, but that the vast majority of expenditure from the Stansted Mountfichet area goes outside the area, to Bishop’s Stortford. Including Stansted Mountfichet reduces the overall retention rate in Uttlesford to around 66%. What happens in the Stansted Mountfichet area is of course almost wholly irrelevant to Saffron Walden shopping patterns, as shoppers there will continue to use Bishop’s Stortford rather than drive all the way to Saffron Walden; Sainsbury’s nevertheless throughout their application use the misleading 66% retention figure rather than the real 84% (or higher) figure to try to justify their application. Indeed Tesco’s application actually says there isn’t really this sort of need for more space. The District Retail Study commissioned by Uttlesford District Council for the purposes of preparing the Local Plan can be viewed at <http://www.uttlesford.gov.uk/documents/website%5CPlanning%5CCore%20Strategy%2F1.District%20Retail%20Study.pdf>.
11. There is no evidence from visiting Waitrose and Tesco that either is suffering from a lack of capacity or overcrowding issues. Many parts of the town centre are clearly struggling.
12. The District Retail Study notes that a reasonable proportion of non-food expenditure goes out of Uttlesford, but we believe that is primarily “higher level” (ie large goods) goods rather than the sort which would be sold by either Sainsbury’s or Tesco. Inevitably there will be some expenditure leaking to large centres such as Cambridge, but the District Retail Study regards this as normal.
13. The Government have commissioned research on the effect of supermarkets on market towns. The research report “*The Impact of Large Food Stores on Market Towns and District Centres*” (<http://www.communities.gov.uk/documents/planningandbuilding/pdf/529570.pdf>) shows that:
  - a. new supermarkets primarily divert trade from the neighbouring town centre and existing stores;
  - b. new supermarkets generally do not clawback significant trade not already being spent in the town centre. Where they do clawback such trade, this goes to the

- supermarket and does not lead to any tangible benefit for the neighbouring town centre;
- c. out of town centre supermarkets discourage linked shopping trips and do not encourage shoppers to visit the neighbouring town centre in the same trip;
  - d. new supermarkets typically have a 13 – 50% negative turnover impact on local stores.
14. The applications if passed would have a huge negative impact on the existing town centre stores and on the local stores in surrounding areas, both through direct competition and indirectly through diverting shoppers away from the Saffron Walden town centre. Sainsbury's predict that their store would divert 10% of town centre food shopping from the town centre to the new store. We believe that this is a huge underestimate, and that a 25% or more reduction is much more realistic, but even a 10% reduction is likely to have a huge effect on local shops.
15. Out of town supermarkets have both direct and indirect negative impacts on neighbouring towns. They compete directly with town centre stores. By diverting shoppers away from the town centre (for example shoppers who stop using Waitrose, and therefore stop coming to the town centre) they also compete indirectly with virtually all of the stores in the town centre. Studies show that a far greater proportion of expenditure is recycled into the local economy if made in local stores rather than in large supermarkets. Supermarkets therefore also have a wider negative effect on the wider local economy.

#### ***D. Effect on the wider local economy***

16. The application would also be likely to have a significant negative economic affect on Saffron Walden and surrounding area. A study commissioned by the National Retail Planning Forum showed that new out of town centre supermarkets result in aggregate in decreased job numbers once the affect of the job losses they bring are factored in - see Sam Porter, Paul Raistrick, January 1998. The Impact of Out-of-Centre Food Superstores on Local Retail Employment. The study found that there is "strong evidence that new out-of-centre superstores have a negative net impact on retail employment up to 15 km away", and that the stores surveyed resulted in the equivalent of 276 jobs lost per store.
17. Both applications claim that they would bring a significant amount of extra shopping into Saffron Walden. Neither has produced any evidence to support this, and Government research contradicts it. The Competition Commission Report referred to above has found that in general shoppers will not drive more than 15 minutes to a supermarket if there is one closer to them, and that this is the case even if they prefer the further one. We have prepared maps showing the areas within a 15 minute drive of Saffron Walden and of all the supermarkets neighbouring north Uttlesford. These show the broad catchment areas for each supermarket - clearly some people will drive further, but the economic studies show that only insignificant numbers will do so. There are hardly any areas where the catchment areas of the existing Tesco and the proposed Sainsbury's overlap with any supermarkets other than Tesco and Waitrose in Saffron Walden. It is therefore extremely unlikely that significant extra shoppers will be drawn to Saffron Walden by the enlarged Tesco or the Sainsbury's - the vast majority of Sainsbury's shoppers will be drawn from Tesco, Waitrose and the town centre, and the vast majority of new Tesco customers will be drawn from Waitrose and the town centre. Sainsbury's have claimed that only 40% of their customers will be diverted from Waitrose, Tesco and the town centre, and that 60% will come from out of the area - we think this is completely unrealistic, is contradicted by all the external studies we have seen, and hugely downplays the impact

Sainsbury's would have. Tesco have not tried to quantify the source of their new customers.

18. Sainsbury's Transport Assessment also completely contradicts their Retail Assessment, by confirming that there are only a limited number of people in the Saffron Walden catchment area and that these are largely being served by Waitrose and Tesco already.
19. We therefore do not believe that either application will bring any significant extra expenditure into the Saffron Walden area. Moreover, as the Government report on supermarket impact referred to above confirms, any extra expenditure which is attracted by the supermarkets will stay with them, and not benefit the wider community – as the research shows, shoppers going to out of town centre supermarkets do not generally then make “linked” trips into town.
20. Studies also show that of every £1 spent in local stores, a vastly higher percentage remains in the local community than £1 spent in a large supermarket chain. Other than money paid in staff salaries, virtually all of the turnover of a supermarket, will leave the local community. By contrast expenditure in local or smaller shops is much more likely to be recycled locally, because local stores are much greater users of local services.

### **E. Traffic and pollution**

21. Either application would lead to a significant increase in traffic. The Tesco application admits that “*the predominant mode of transport will be the car*”. Sainsbury's would be even less accessible and even further from the town centre and therefore an even greater percentage of shoppers will drive than already do to Tesco. Incredibly, Sainsbury's claim that there will be 1,000 pedestrian trips a day along the Thaxted Road to the new store on Fridays and Saturdays - this is completely contradicted by the evidence of people walking - or not walking - to Tesco currently. Tesco claim that there would be no material increase in traffic to their extended store - we do not believe this. Either application would inevitably lead to fewer people walking to the town centre and far more traffic.
22. As both Tesco and Sainsbury use computer models to predict traffic flows, it is impossible for us to criticise the models they use. It is however easy to comment on their outputs. Sainsbury's say there will be 8,500 shopping trips to their proposed store every Friday and Saturday, and that 80% will come through Saffron Walden and the other 20% from the south along the Thaxted Road. If one believed their claim that 55% of shoppers at the Sainsbury's would be people who don't currently shop in Saffron Walden, this means more than 4,500 additional new journeys to the store (and this is ignoring the effects of extra traffic from those who walk to Waitrose but would have to drive to Sainsbury's). If the Sainsbury breakdown was correct, 80% of these - more than 3,700 journeys every day - would come through town via either the Radwinter Road / Thaxted Road junction or via Mount Pleasant Road. The other 20%, or 900, would be coming from the south, presumably through Wimbish, Thaxted and other towns and villages to the south. And this is before one even considers the construction traffic and the ongoing supply lorry issues. Despite this, Sainsbury's claim that their store would contribute to an increase in sustainable travel and that “*there would not necessarily be a significant increase in traffic in Saffron Walden simply because there is a new store.*”<sup>1</sup>
23. We have been unable to find much information from either Tesco or Sainsbury's on the routes their delivery lorries would take or how much traffic construction would generate. Press reports say that Sainsbury's would mainly bring their lorries from the A120 via Great Dunmow and Thaxted, the effects of which would be appalling.

Tesco lorries will presumably come on the same routes they currently use, further adding to the misery of those on those routes. We also understand that there will be wide-scale raising of the level of the Sainsbury's site through the use of neutralised landfill (which Sainsbury's would be paid to take), which potentially means enormous numbers of construction lorries.

24. The traffic pollution in Saffron Walden already means that there are 3 air quality management areas where pollution exceeds or almost exceeds national legal limits. The worst of these is at the Radwinter Road / Thaxted Road junction, where pollution exceeds legal limits already. Both Tesco and Sainsbury's have claimed that this junction will not be made significantly worse despite the increases in traffic – conclusions which appear to go against all logic. Indeed, the computer model used in the Tesco Transport Assessment predicts that an increase in traffic along the Radwinter Road to an enlarged store would actually lead to a decrease in queuing at the Thaxted Road / Radwinter Road junction!