

Matter 90: Retailing

The draft New London Plan (dNLP): Examination in Public

1 Introduction

- 1.1 This Hearing Statement is prepared on behalf of Sainsbury's Supermarkets Ltd (**Sainsbury's**) in relation to the soundness of the dNLP having regard to issues arising from draft Policy SD7 relative to the 2012 NPPF against which the dNLP is being examined.
- 1.2 Sainsbury's is one of the UK's largest food retailers with 96 supermarkets and 266 convenience stores in London. Sainsbury's stores are located in a mix of town centre, edge of centre and out of centre locations. In addition to being a major food retailer, Sainsbury's has also delivered over 1,300 new homes in London, secured consent for over 750 further homes and is progressing developments with a capacity to deliver over 3,000 more homes.
- 1.3 Sainsbury's supports the aspiration in draft policy SD7 A(4) to realise the full potential of existing out of centre retail and leisure parks to deliver housing intensification through redevelopment. However, as drafted the policy is not Effective as it fails to recognise:
- (a) that existing stores are profitable trading business;
 - (b) the significant additional costs of developing such sites; and
 - (c) the implications of this on viability.

2 Is the approach to development management set out in policies SD6, SD7, SD8, SD9 and E9BA justified and consistent with national policy and would it be effective in terms of:

- (a) **ensuring that identified needs for all forms of main town centre uses, including bulky goods, are accommodated in appropriate locations in accordance with national policy;**

- 2.1 Policy SD7 is not Justified and would not be Effective for the reasons given in Sainsbury's representations on draft policy SD7(A)(1) and (2) in its hearing statement on Matter 89.

3 Is the approach to development management set out in policies SD6, SD7, SD8, SD9 and E9BA justified and consistent with national policy and would it be effective in terms of:

- (b) **requiring large scale commercial development (over 2,500sqm of A Use Class floorspace) to support the provision of small shops and other commercial units (including "affordable units" where there is evidence of local need)**

- 3.1 The NPPF requires (paragraph 26) a retail impact assessment to be provided in respect of development over a proportionate, locally set floorspace threshold, the default threshold of which is 2,500 sqm. Sainsbury's consider the requirement to provide an impact assessment

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in respect of retail developments over 2,500 sqm (or lower when determined to be appropriate by the local planning authority) to be consistent with national policy.

3.2 Draft policy E9(E) requires large-scale commercial developments (over 2,500 sqm Class A floorspace), to support the provision of small shops and commercial units (including 'affordable units' where there is evidence of local need).

3.2.1 That is not:

(a) Justified: there is no evidence base to

- (i) support this prescriptive approach irrespective of location;
- (ii) explain why this requirement is imposed only on commercial developments;

(b) Effective: it

- (i) would impose a blanket requirement without regard to feasibility in individual cases (or, in relation to small shops, actual need and which forms of development are best placed to contribute to meeting that need). This may have the effect of preventing more appropriate and innovative solutions being proposed to support the retail sector in that particular area. It is likely to be a further hurdle to retail investment during a challenging period;
- (ii) would not secure any contribution to local retail needs from wider forms of development;
- (iii) is not clear what "small shops" means. It should – for the purposes of SD7(C)(4) and E9(E) - include concessions and retail insert stores within larger retail units.

3.2.2 The 2012 NPPF requires the impacts on consumer choice and trade to be assessed as part of large-scale applications. It will usually be the case that retail investment in London will be modernising retail facilities and improving the offer, where the impact tests have already been satisfied. The justification for the broad brush strategic requirement for large-scale commercial developments to support small shops and affordable space in circumstances where the impact is found to be acceptable is therefore not clear.

3.2.3 Draft policy E9(E) seeks to impose a prescriptive approach to small shop provision that fails to have regard to the specific impacts and feasibility. Local authorities and elected members are able to determine what measures are justified and feasible in connection with retail investment in a way that the strategic plan tier is not. As a result, such matters are more appropriately considered at the borough level, as strategic blanket requirements may inhibit more appropriately targeted measures and investment.

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4 Is the approach to development management set out in policies SD6, SD7, SD8, SD9 and E9BA justified and consistent with national policy and would it be effective in terms of:

(c) supporting Policy GG4 “delivering the homes Londoners need”?

- 4.1 Sainsbury's supports the aspiration in draft policy SD7(A)(4) to realise the full potential of existing out of centre retail and leisure parks to deliver housing intensification through redevelopment. It agrees with the requirement in SD7(B)(5) to proactively allocate retail sites for higher density mixed-use residential intensification, given that the failure to do so in current Local Plans will affect the speed of delivery.
- 4.2 Sainsbury's has to date delivered over 1,300 new homes at Fulham Wharf, Hornsey and Nine Elms. These are examples of where the redevelopment potential of existing commercial sites has been realised through:
- (a) sustainable intensification;
 - (b) replacement of existing stores with modern, expanded retail space to better meet customer requirements; and
 - (c) delivery of housing alongside major retail investment.
- 4.2.2 Sainsbury's has secured consent for over 750 further homes, and is progressing schemes which would deliver over 3,000 further homes. Sainsbury's is committed to maximising the potential of its portfolio to deliver mixed-use intensification, and supports the recognition in the dNLP of the role that such sites can play in helping meet London's housing needs.
- 4.2.3 However, draft policy SD7(A)(4) is overly restrictive. It states that such investment projects "*should not result in a net increase in retail or leisure floorspace in an out-of-centre location having regard to parts A(1), (2) and (3)*". This wording is unnecessary, confusing and has the potential to undermine the Effectiveness of the policy.
- 4.2.4 The intention – in referring to part A(1) - appears to be that if proposals contain additional floorspace and satisfy the sequential test they should not be restrained. The wording is not explicit though and is likely to be read as a restraint policy (that is not Justified - given the separate operation of the sequential test).
- 4.2.5 The wording SD7(C)(2) is a better attempt to achieve the same objective and the wording of SD7(A)(4) should be amended to reflect it.