

# PRELIMINARY AUDIT

## MARRONS – TUDELEY VILLAGE - COMMERCIAL & RETAIL (TOWN CENTRE) FLOORSPACE ASSESSMENT

APRIL 2023

### INTRODUCTION

1. This Preliminary Audit has been prepared by Nexus Planning ('Nexus') in respect of the Draft Commercial and Retail (Town Centre) Floorspace Assessment ('the Assessment') prepared by Marrons on behalf of their client, Turnberry Consulting, in respect of proposals at Tudeley Village.
2. Nexus has been asked by Tunbridge Wells Borough Council ('the Council') to review the draft Assessment and to provide comments on its scope and proposed methodology. This work builds on Nexus previous commissions on behalf of the Council in respect of preparing their Commercial Leisure & Town Centre Uses Study in 2017, and its Update in 2021.

### RELEVANT BACKGROUND

3. The Council received 'initial Findings' from the Planning Inspectorate on their draft Tunbridge Wells Local Plan in November 2022. The Inspector provided detailed comments on proposals for the 170 hectares of land at Tudeley Village proposed to be taken out of the Green Belt and allocated for a new settlement of up to 2,800 dwellings.
4. Of specific relevance to our considerations, the Inspector commented at Paragraphs 18-23 that:

18. An objective analysis of likely future needs is provided in the *Tunbridge Wells Commercial Leisure & Town Centre Uses Study Update*<sup>4</sup>. It predicts, based on the number of houses proposed, capacity for around 1,900 square metres of convenience retail floorspace and approximately 1,000 square metres of comparison goods floorspace. Paragraph 8.11 clarifies that "Given the likely scale of spending forecast, we would suggest that each of Tudeley Village and Paddock Wood could facilitate a limited number of small retail units as part of 2-3 local centres designed to support new residents' day-to-day shopping needs."

19. The figures provided are by no means an upper limit or 'cap'. Indeed, the Study recognises that additional floorspace would have the potential to further support residents. However, this would only be where it can be demonstrated that the proposals would not detract from the vitality and viability of surrounding centres, which include Paddock Wood and Tonbridge. The Council's own evidence therefore questions such high-level, aspirational assumptions about the scale of commercial floorspace that could be supported, and the subsequent internalisation of trips that would result.

20. The implications of increased traffic from the site have been considered through various documents.<sup>5</sup> The 'Addendum 2' report is the latest and considers impacts by assessing the "reference case" (with only committed developments), a Local Plan scenario with no changes to the highway network, a Local Plan scenario with highways mitigation and finally a Local Plan scenario with highways mitigation and a 10% modal shift.

21. In summary, the evidence demonstrates that existing traffic volumes and limited capacity cause congestion in Tonbridge town centre. Local Plan growth will add traffic to these junctions, causing negative impacts on their operation. This substantiates the concerns raised by Tonbridge & Malling Borough Council and local residents.

22. The issue with the soundness of the Plan is that, unlike some other junctions (which can be altered to mitigate harmful impacts), the space to provide any mitigation in Tonbridge town centre is limited. Suggested ways forward include traffic management and encouraging "significant modal shift". However, as identified above, details of the public transport improvements that could be provided are still at an early stage and it is not possible to establish whether they would genuinely achieve any significant modal shift.

23. In summary therefore, at present there is insufficient evidence to suggest that the scheme will achieve the levels of internalisation and changes in modal shift necessary to adequately mitigate against the likely increase in car travel. Given the existing constraints and congestion in Tonbridge town centre, the cumulative impacts of the scale and location of development would be severe. It has not been adequately demonstrated that the impacts can be cost effectively mitigated to an acceptable degree.

5. The Inspector therefore raises two potential areas of concern. The first in Paragraph 19 is that it should be demonstrated that the proposals would not detract from the vitality and viability of surrounding centres, including Paddock Wood and Tonbridge. In this regard, the Inspector notes that the areas proposed (discussed further below) exceed the notional floorspace capacities set out in the Nexus Update 2021.
6. The second is around the associated impacts on traffic flows on Tonbridge Town Centre in neighbouring Tonbridge & Malling Borough Council's area, and whether the commercial quantum proposed at Tudeley would simply satisfy the newly resident population, or whether it would be likely to draw any significant amount of custom from elsewhere. If the latter, then this would result in additional traffic in and out of Tonbridge, which would therefore add to existing concerns.
7. It is therefore important to fully understand the rationale and justification for the quantum of commercial floorspace proposed at Tudeley Village, both in terms of retail impact and highways impact. The two issues are interlinked and require a proper assessment of 'Trade Diversion' and 'Trade Draw', culminating in an assessment of retail impact, as prescribed in Planning Practice Guidance ('PPG') and the National Planning Policy Framework ('NPPF', 2021). We discuss these matters further below.

## THE DRAFT MARRONS REPORT

8. In light of the Inspector's comments, Marrons has prepared the draft Assessment on behalf of their clients (dated March 2023). The Assessment is structured into sections and we comment on those of most relevance as follows.

### THE SITE AND SURROUNDING AREA

9. Importantly, the Marrons report sets out a more detailed breakdown of floorspace than that which was seen by the Plan Inspector. Appendix 1 confirms that retail, service and leisure floorspace totals 8,419 sq m gross, and the breaking this down further, the pure retail component will total 5,824 sq m gross. Indicatively, this is then split 1,883 sq m to convenience goods floorspace and 3,941 sq m to comparison goods floorspace.
10. This clarification is helpful as it considerably reduces the c11,000 sq m figure considered by Inspector, to a figure of almost half the size.
11. The other refinement set out by Marrons is to amend the gross figures to net figures. This then brings the figures in line with the net figures quoted in the Nexus Update Study 2021. Marrons employ a ratio of gross to net floorspace at 76%. We can confirm that this is within the industry standard range. In practice, some larger foodstores will have a larger non-trading element than this, whilst smaller units will sometimes have a smaller non-trading element. Given Marrons' assumption that the scheme is likely to comprise a mix of both, then the ratio employed is justifiable.

12. Accordingly, Marrons conclude that the net trading floorspace of the proposal may comprise 4,426 sq m net, comprising a minimum 1,431 sq m net convenience goods floorspace and up to 2,995 sq m comparison goods floorspace. The site proponents should expect that these figures would be conditioned at the appropriate juncture.

### RETAIL CAPACITY EVIDENCE

13. Marrons correctly flag a known transposition error in the Nexus 2021 Study, which led to an under-estimation of the potential comparison goods net floorspace capacity. We agree with the re-work of potential capacity shown in Table 2 of the Marrons report. Under the 'maximum' scenario, this shows an increase in the maximum capacity for comparison goods floorspace of 1,840 sq m net, compared to 1,000 sq m net shown in the 2021 Study.
14. Once corrected, this results in 'maximum' capacity of 3,696 sq m net versus the figure of 4,426 sq m net set out by Marrons.
15. Marrons then go on to note that around 20% to 25% of trade attracted to the retail units would come from elsewhere, and that if a reduction of this level was applied, then there would actually be approximate capacity for the proposals.
16. Some caution is needed at this step. There are two important factors which we would encourage Marrons to provide more evidence around. The first is that this assessment assumes the 'maximum' capacity set out in the re-worked Nexus assessment. In practice, as confirmed in the Assessment, the occupiers of the proposed development *could* be more akin to operators with a sales density closer to the 'minimum' set out in the Nexus report. Marrons give the example of an Aldi store at 2.7. Using that example, Aldi has a current sales density of £11,487/sq m at 2022 prices (GlobalData 2022). This is closer to the £12,950/sq m sales density modelled in the 'minimum' scenario than the £7,393/sq m scenario modelled in the 'maximum' scenario. It is likely therefore, that Marrons will need to consider both scenarios, or at least something in-between, in their final analysis.
17. Secondly, the suggestion that around 20-25% of trade could be drawn from elsewhere plays into two of the Inspectors direct concerns – that the development may detrimentally divert trade from other centres, and that the highways impact associated with that could be problematic. In practice, we agree with Marrons that the Tudeley Village proposition will inevitably draw some trade from elsewhere, but this needs carefully quantifying through an assessment of trade draw, and then trade diversion, in line with PPG methodology.
18. Symptomatic of this, Marrons suggest that the Nexus assumption that 20% of comparison goods spend generated by new residents at Tudeley Village could be an under-estimate. They suggest that a figure of 28% might be more appropriate. We recognise that this figure has been arrived at as the tipping point at which capacity is shown to arise (on the 'maximum' scenario), but it seems purely to be a mathematical judgment, rather than one based on detailed assessment in line with PPG methodology.
19. Similarly, conjecture is raised on the typical household size of the proposed development (2.5 persons per household compared to 2.8 persons per household). Average UK household size is typically used as the benchmark, so if this case is to be pursued, then we suggest that Marrons set out a detailed breakdown of unit numbers by bedroom capacity, in order to bring this case to life. Marrons should also presumably be conscious of any related consequences for highways impact in terms of assuming greater numbers of people on site.

### RETAIL IMPACT

20. The section on retail impact in the Assessment contends that there is unlikely to be any undue impact on the vitality and viability of nearby centres because the amount of spend generated by Tudeley Village residents exceeds the turnover of its retail facilities. We do not necessarily disagree with any of the associated points made by Marrons on how spend will be distributed, and indeed that other centres may benefit from spend generated by the new residents, particularly in terms of comparison goods.

21. However, we suggest that two additional exercises may be necessary in order to comply with PPG methodology. The first is to assess the make-up and composition of those centres within the catchment area of Tudeley Village in order to understand where customers for the facilities at Tudeley Village may derive from (i.e. the 'trade draw'), and then to understand what the resultant draw of spend from certain locations might be (i.e. the 'trade diversion'). This assessment is likely to be necessary to lend weight to the various suppositions made by Marrons on retail impact in general. It will also help the Inspector understand what, if any, impact there might be on the highways.
22. Nexus has shared with the Council an example of how this assessment might look, and we would be happy to share this with Marrons in due course.
23. The second element is to assess the health of those centres where trade is shown to be drawn from as part of this first exercise. The Inspector cites concern for Tonbridge and Paddock Wood, and we understand from the Council that they too would like the site proponents to consider any impact on Tunbridge Wells itself. This assessment might reference the healthchecks contained within the Nexus Study 2021 (plus any commentary on Tonbridge from Tonbridge and Malling's evidence base), or may seek to update that work further to account for the passing of time. The latter option may be especially relevant as the 2021 Study was undertaken as the various centres were emerging from the pandemic.
24. This second exercise is important as it helps to base the statistical findings in on-the-ground reality, and directly addresses the Inspector's comment on retail impact.

#### **SUSTAINABILITY OF PROPOSED TOWN CENTRE PROVISION**

25. Marrons draws comparison to a number of other large urban extensions and the scale of provision found in each of these developments. Whilst helpful in concept, we expect that it will be necessary to supplement this evidence with the more detailed assessment of trade draw and trade diversion we have set out above, in order to fully convince the Inspector (and any interested third parties) that no undue impacts on either town centres or the highways would result.

#### **SUMMARY AND CONCLUSION**

26. In light of the foregoing, we agree with much of the skeleton case made by Marrons in their Assessment. However, in their final reporting, we suggest that additional work is undertaken in terms of:
  - Exploring a scenario in between the 'minimum' and 'maximum' floorspace scenarios set down in the (corrected) 2021 Study;
  - Fully justifying any case for an increased assumption on household size at Tudeley Village (and any knock-on impacts for this assumption elsewhere in the planning case for the site);
  - Drawing up a suggested Catchment Area and setting down a baseline for the existing vitality and viability of centres within that Catchment Area; and
  - Preparing a Retail Impact Assessment that is constructed out of 'trade draw' and then 'trade diversion' exercises, in line with PPG methodology.