**Response to Nexus Planning’s Preliminary Audit of Marrons Tudeley Village Commercial and Retail (Town Centre) Floorspace Assessment - April 2023**

1. Marrons have been instructed by Turnberry Consulting to assess the commercial floorspace component of the proposed new settlement at Tudeley Village.
2. The purpose of this note is to provide a response to the preliminary audit of our Commercial and Retail (Town Centre) Floorspace Assessment. The audit was prepared on behalf of TWBC by Nexus Planning (hereafter referred to as Nexus Audit).

**Context**

1. At the outset it is important to note that the primary purpose of the proposed commercial and retail/ town centre floorspace proposed as part of Tudeley Village is in serving the needs of residents of the new village, and facilitate, to as great an extent as possible, the internalisation of trips. It is not the intention of the proposed floorspace to attract from beyond Tudeley Village, albeit recognition needs to be given to the fact that this will occur naturally.
2. By virtue of the scale and nature of the proposed retail floorspace, as demonstrated through the indicative village centre plans, the proposed centres are not intended to act as destinations beyond the local catchment area of Tudeley Village, and will not provide individuals units of any significant scale to attract destination based retailers.

**Nexus Preliminary Audit**

**Relevant background**

1. **Paragraphs 3 to 7** – Nexus rightly note that the Inspector had referred to the floorspace capacity figures, based on the low sales density calculation, as quoted in paragraph 18 of the Inspector’s Initial Findings. We now know the comparison goods capacity figure relied upon by the Inspector to be incorrect.
2. We also note that the Inspector does not consider the capacity figures to represent a cap, but that any floorspace in excess should not detract from the vitality and viability of surrounding centres.
3. It is also clear that the Inspector’s concerns were made based upon the evidence before them, that being a reported retail capacity of 2,900 sq m compared with proposed retail floorspace of around 10,000 sq m. We now the capacity figure to be incorrect, and the proposed net convenience and comparison floorspace to be far lower than had been assumed.

**The Draft Marrons Report**

**Retail capacity evidence**

1. **Paragraph 13** – Nexus confirm the ‘known’ error in the under-estimation of comparison goods capacity within Tudeley, as identified within the Marrons Assessment.
2. Given Nexus confirmation that this was a ‘known’ error, it would be helpful to understand who knew, when the error was identified, and whether the Local Plan Inspector was notified – the issue being that the Local Plan Inspector appears to have based their Initial Findings on the incorrect comparison goods capacity figure.
3. **Paragraph 14** – Nexus note that the corrected maximum capacity in comparison and convenience goods floorspace from its assessment totals 3,696 sq m net, which compares with an indicative proposed floorspace of 4,426 sq m net (a difference of only 730 sq m). This difference is significantly less than that which informed the Inspectors Initial Findings.
4. **Paragraph 16** – Nexus caution 1) the reliance within Marrons assessment of the maximum capacity figures set out within the re-worked [corrected] Nexus assessment, and 2) the suggestion that around 20/25% of trade could be drawn from elsewhere – noting that Nexus agrees with this assumption. We deal with each of these issues below:
5. **Use of maximum capacity figures** –

At the outset it is important to note that our use of maximum capacity figures (assuming low sales densities) reflects that of the Local Plan Inspector, as noted by Nexus in its extract of the Inspector’s Initial Findings in paragraph 4 (Initial Findings paragraph 18). In the absence of any detail surrounding likely retail occupiers, and in order not to unnecessarily constrain the potential to internalise shopping trips, such an assumption is considered reasonable.

More specifically, whilst Nexus use Aldi as an example of a retailer quoted within the Marrons Assessment (paragraph 2.7) and trading at a higher sales density, it is important to note that Aldi was simply referenced for context in comparing net to gross floorspace ratios and as can be seen from paragraph 2.7 of the Marrons Assessment the indicative level of floorspace proposed for a food store is too small to accommodate an Aldi type format.

Based upon the indicative floorspace maker-up it is therefore likely that Tudeley will comprise a series of smaller format convenience stores including butchers, bakers, green grocers, and which may also for example include a smaller Co-op type format store or similar, but in combination the convenience goods sales density is likely be at the lower end of the levels tested given the localised nature of the catchment that the stores are intended to serve.

For this reason, we do not consider it wise to unnecessarily constrain the convenience goods floorspace offer within Tudeley by assuming a higher sales density, when to do so would hamper efforts to maximise the internalisation of shopping trips.

1. **Trade draw**

As noted in Marrons Assessment, and accepted by Nexus, it is reasonable to assume a limited level of inflow of expenditure from those visiting or working within Tudeley. As noted in Marrons Assessment it is typical of any retail store to attract 75%/80% of its trade from within its immediate primary or core catchment area (in this case Tudeley Village), with the remainder of trade drawn from elsewhere.

Trade from within the primary catchment area reflect the levels of retention (or market share) set out within the Council’s Retail Assessment Update over an area constrained to Tudeley Village, whereas trade from beyond the primary catchment area will be drawn from non-specified locations across a far wider geography, at far lower levels of market share.

Nexus have suggested that an assessment of trade draw/ and impact is undertaken to assess how this additional trade from beyond Tudeley will impact on surrounding centres.

However, this request should be considered in the context of the level of inflow expenditure. Whilst the exact level of inflow or trade draw from outside of Tudeley will depend on the make-up of convenience and comparison goods floorspace, given that retained expenditure (from Tudeley residents) is assumed to total £20m, it might be reasonable to assume that a further £5m (20%) may be drawn from elsewhere, meaning that a total of £25m of comparison and convenience goods expenditure would be available to Tudeley village retailers.

As detailed in the Marrons Assessment it is possible, based on the indicative retail floorspace proposals that retailers within Tudeley could turnover £23m (flexing dependant on the mix of convenience and comparison goods floorspace).

If it were assumed that £5m were to flow in from outside of Tudeley, it is quite clear that the level of impact on surrounding centres would be de-minimis. The Council’s Retail Study Update (Table 27) confirms that Tunbridge Wells town centre achieves a turnover of £1.1bn, whilst Paddock Wood achieves £47m. Total expenditure available to the study area incorporated within the Council’s Retail Assessment Update totals £3.2bn, and it is quite clear from an assessment of convenience goods retail provision within surrounding centres (Table 5) that all of the larger foodstores are significantly over-trading – the convenience goods stores in Paddock Wood by £13m, and those in Tunbridge Wells and Southborough by £87m. Equivalent figures for Tonbridge are not provided but it is clear that the main foodstores including Sainsbury’s Angel Centre and Waitrose Sovereign Way achieves a turnover of £57m and £26m respectively.

The Council’s Retail Assessment Update does not provide as detailed assessment of comparison goods capacity, instead simply focusing upon Tunbridge Wells town centre, nonetheless it demonstrates that by 2038 there will be a surplus comparison goods expenditure within Tunbridge Town Centre totalling £57m.

As detailed above, an assumed 20% inflow of expenditure to Tudeley, totalling approximately £5m is considered insignificant in the content of turnover achieved within surrounding centres, and will not cause significant adverse harm as determined by the NPPF.

Moreover, there remains a further £29m of expenditure from residents of Tudeley that will flow into these surrounding centres, more than offsetting any possible impact.

It is also important to note that the PPG methodology associated with retail impact relates to edge and out-of-centre development, not development in designated centres as proposed at Tudeley Village. The primary purpose of any retail assessment at Tudeley Village is to establish first and foremost whether the level of proposed retail floorspace is proportionate to the role of the designated centre – something the Marrons Assessment has sought to address.

1. **Paragraph 18 –** The above analysis assumes the retention rates set out within the Council’s Retail Assessment Update (being 80% retention of convenience goods expenditure and 20% comparison goods) and demonstrates sufficient capacity (including an element of inflow) to balance with the proposed indicative retail floorspace.
2. As such whilst Nexus question Marron’s sensitivity testing of the comparison goods retention rate it has no bearing on the acceptability of the proposed indicative floorpace. Furthermore, it is quite reasonable to assume that a higher retention rate could be achieved should the local comparison goods offer be increased – the effect, of course, would be more local retail choice, increasing the rate of internalisation.
3. **Paragraph 19 –** The above analysis assumes a household size and population as set out in the Council’s Retail Assessment Update. The Nexus Audit dismisses as conjecture the potential household size of 2.8 people as sensitivity tested by Marrons (the Council’s Retail Assessment Update assumes a household size of 2.5).
4. It is important to note that the figure of 2.8 was derived from the current household size exhibited in nearby Kings Hill – a relatively new development, with a similar number of dwellings to Tudeley. For the purposes of this exercise it provides a reasonable comparison. It is also important to note in this respect that the purpose of this exercise is assess the level of retail floorspace appropriate to a new residential development which will by its very nature exhibit a different household size to more established areas (and typically housing greater numbers of younger families).
5. Whilst Nexus also caution the potential increase in highways impact resulting from a higher household size, it should be noted that the difference in household size will largely translate in an increase in the number of children living within the development.

**Retail impact**

1. **Paragraph 20** – we note in respect of retail impact that Nexus ‘*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 [sic] generated by new residents, particularly in terms of comparison goods*’.
2. **Paragraph 21** – we note that in suggesting an assessment of trade draw, Nexus suggest that an assessment be undertaken of the make-up and composition of centres within the catchment area of Tudeley Village, and an assessment of trade diversion to be undertaken.
3. It is important to note, as detailed above, that the primary or core catchment area of retail floorspace within Tudeley Village is limited to the new residents of Tudeley Village. Whist we believe it is reasonable to assume that there will inevitably be some inflow of expenditure to Tudeley Village, this extends beyond the primary catchment area into wider geographies. As such the impact on any individual centre surrounding Tudeley (as we have demonstrated above) will be de-minimis. Moreover, as Nexus accept, the inflow of expenditure (assumed to approximate to £5m) will be more than offset by the outflow of expenditure to surrounding centres by Tudeley residents (£26m - £32m).
4. Furthermore, and whilst the PPG methodology is referenced by Nexus, it should be recognised that this only applies to retail proposals within edge or out of centre locations. The retail floorspace proposed at Tudeley falls within a designated centre/s.
5. Finally, the retail floorspace presented within the Marrons Assessment is indicative. Should any such analysis of impact be required we would recommend that it is provided at a later stage and in formulating the Framework Masterplan Supplementary Planning Document (SPD) in the creation of a new community at Tudeley Village. The purpose of this SPD will be to guide the development principles, and it would seem appropriate as part of that SPD that more exacting retail parameter requirements are determined.
6. Importantly, it has been demonstrated through work undertaken to date that sufficient capacity exists within Tudeley Village (including an element of inflow) to balance with the proposed indicative retail floorspace
7. **Paragraph 23** – Nexus explain how they would like an assessment of trade draw from surrounding centres to be undertaken, noting that the Inspector had cited concern for Tonbridge, Paddock Wood as well as also referring to Tunbridge Wells. As detailed above the level of inflow (c.£5m) will be drawn from a far wider geographic area, reflecting the place of residence of both visitors and people working within Tudeley Village. It is not anticipated that this trade diversion will be focused on any particular centre, and critically it only amounts to 0.2% of total retail expenditure within the Council’s Retail Assessment Update study area. We have also noted above that each of the surrounding centres convenience goods floorspace is significantly over trading.
8. **Paragraph 24** – Nexus consider that a statistical analysis of trade diversion is necessary to address the Inspector’s comments on retail impact. However, it must be recognised that the Inspector’s concerns were set in the context of 1) incorrect retail capacity evidence, and 2) an assumption that Tudeley Village was seeking to provide for a far greater level of retail floorspace than is actually planned.
9. As we have explained the majority of the proposed retail floorspace is justified on the basis of the Council’s corrected retail capacity evidence, with the balance justified through a limited level of inflow from the surrounding area to account for those visiting and working within Tudeley Village.

**Summary and Conclusion**

1. **Paragraph 26** – we note that Nexus agree with much of the case made by Marrons. They go on to suggest the following work be undertaken in final reporting (set out in italics below). We provide commentary against each below:
* *Exploring a scenario in between the ‘minimum’ and ‘maximum’ floorspace scenarios set down in the (corrected) 2021 Study;*

As we have detailed the Local Plan Inspector referred to the maximum floorspace capacity figures within their Initial Findings. Such figures, based upon lower sales densities would seem appropriate given the nature of the proposed retail floorspace. Furthermore, the retail floorspace is intended to assist in the internalisation of trips, and until such a time as there is greater certainty over likely retailer interest (operators) we would caution against unnecessarily constraining retail floorspace capacity based upon higher assumed sales densities at this point in time.

* *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);*

As we have detailed based upon the assumptions within the Council’s Retail Assessment Update much of the proposed retail floorspace is justified, within the remainder justified through an element of inflow reflecting trade from visitors and those working within Tudeley Village.

Notwithstanding, Marrons also consider there to be a number of assumptions within the Council’s Retail Assessment (including household size and retention) which could potentially lead to an increase in available capacity.

* *Drawing up a suggested Catchment Area and setting down a baseline for the existing vitality and viability of centres within that Catchment Area; and*

As we have detailed the primary or core catchment area is Tudeley Village. Whilst we anticipate a small element of trade to be drawn from outside of Tudeley Village, this only amounts to £5m and is likely to be drawn from a wide geographic area which is not focused on any specific surrounding centre.

* *Preparing a Retail Impact Assessment that is constructed out of ‘trade draw’ and then ‘trade diversion’ exercises, in line with PPG methodology.*

In the content of the turnover of each surrounding centre, and surplus trade within surrounding convenience goods stores, a level of inflow totalling £5m will have no noticeable impact on surrounding centres. It must be remembered that when assessing impact on town centres, the key test is whether the proposal is likely to have a significant adverse impact on existing centres.

1. Notwithstanding our comments, should the Council or Inspector seek further reassurance through the additional tasks outlined by Nexus, we would recommend that more detailed evidence is provided at a later stage and in formulating the Framework Masterplan Supplementary Planning Document (SPD) in the creation of a new community at Tudeley Village. The purpose of this SPD will be to guide the development principles, and it would seem appropriate as part of that SPD that more exacting retail parameters are determined.
2. As we have detailed above, there would however seem to be broad agreement with Nexus over the approximate levels of retail floorspace proposed which should provide both the Council and Inspector comfort at this stage in the planning making process.