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GL HEARN 

Dear Mr Leslie

**PLAN E – EPSOM TOWN CENTRE AREA ACTION PLAN
INDEPENDENT EXAMINATION OF THE SUBMISSION – DEVELOPMENT PLAN DOCUMENT
ON BEHALF OF TESCO STORES LIMITED**

I write on behalf of Tesco Stores Limited in relation to the above and further to our representations submitted and the following the pre-examination meeting held on the 5th August.

Further to our discussions I can confirm that Mr Alastair Crowdy of GL Hearn will be attending the Examination of the Submission Development Plan Document. Mr Crowdy will be able to attend on Tuesday 21st September from 2pm and on Wednesday 22nd September until approximately midday. It is appreciated that the Inspector has a set timetable and that you have advised that she will endeavour to work around the times when Mr Crowdy is able to attend as best she can. For this we are grateful.

In relation to the 'Items' for Examination that relate to Tesco these are expanded upon in more detail below and in the attached documents. I have commented on these in the order as set out in the information issued by you and the order in which they will be heard at the Examination.

By way of background Tesco consider it important to expand on where they see Epsom in the retail hierarchy. Epsom was (under the now rescinded South East Plan) defined as a Secondary Regional Centre, and was one of 27 such Secondary Regional Centres in the south east, in addition to 22 higher order Primary Regional Centres.

Epsom sits in Surrey as a second order retail centre behind that of Guildford, but on the same level as Camberley, Redhill, Staines and Woking. The centres of Dorking, Farnham, Godalming, Reigate and Walton-on-Thames all sit below Epsom in the retail hierarchy.

Within the District of Epsom and Ewell, Epsom is the highest order retail centre and is the main centre for convenience and comparison shopping within the district. The principal convenience destination being located **outside** of Epsom Town Centre at Kiln Lane (J Sainsbury) which has consent to provide 8,029 sqm sales floor space (extension allowed March 2008).

The Council has acknowledged that Epsom faces competition from surrounding centres such as Kingston, Sutton, Croydon and Guildford.



At a strategic level, Tesco consider that Epsom must seek to maintain its role and function in the retail hierarchy. To achieve this Policy should be fully supportive of retail development that would enhance the town centre shopping offer. The town centre is the most suitable location for a food superstore, however at present with the only one main food superstore located outside of the town centre this draws people, trade, the potential for linked trips and investment away from the centre, thus preventing the centre from achieving the role and function that it should. It would be possible to provide a full main shopping function within the town centre, and it should be noted that a main food shop is often seen as a motivator to other trips (linked) and a main food store often acts as an anchor to a centre. In sequential approach terms the main food shop destination for Epsom Town Centre should be in the centre, where it works in quantitative and qualitative terms at the strategic level, the local level and at policy level.

Matters and \ Issues for Examination, Main Matter –
Item 5

In relation to the matters set out under Item 5 by the Inspector GL Hearn refers the Inspector to the earlier representations that have been made (not enclosed with this letter) but also to the GL Hearn letter dated 21st December 2009 (enclosed) and the subsequent response from GVA Grimley dated 27th January 2010 (also enclosed). This letter was submitted by GL Hearn on behalf of Tesco Stores limited in relation to a consultation response (critique letter) and subsequent meeting held with the Council, GVA Grimley (on behalf of the Council) and GL Hearn to the 2009 Tesco a planning application that was subsequently withdrawn. The letter sets out detailed comment on the retail matters related to the application, and an understanding of interpretation of the 2009 GVA Grimley Retail Study for the Council in relation to the Tesco scheme.

Tesco considers that policy E3 of Plan E does not fully comply with PPS4 in relation to retail growth, as it will not allow Epsom to function at the correct level for its position in the retail hierarchy, as the policy does not set a clear vision and is considered to provide a pessimistic view on capacity going forward (see paragraph below). The Council has previously highlighted in Plan documents that Epsom is losing significant trade to other town centres (Town Centre Area Action Plan September 2008), as well as to the out of centre store at Kiln Lane.

Tesco would suggest that all the retail floor space projections for convenience goods should be treated with caution (rather than just those after 2018) as GVA Grimley for the Council assumes very low growth rates for consumer spending and as such the GVA Grimley advice to the Council conflicted with that of Experian. Furthermore the adoption of Special Forms of Trading rates further reduces the low expenditure growth. GL Hearn expanded significantly on this on page 10 of the representations submission made on 15th March 2010, so this is not reproduced again here. However, GL Hearn would highlight that this pessimistic approach by GVA Grimley and the Council will fail to address the issue facing the Epsom town of the centre losing potential expenditure to neighbouring town centres which will allow their dominance to the detriment of Epsom. Epsom will struggle to reflect its position in the retail hierarchy, the Council highlighted in their Town Centre Area Action Plan September 2008 that the potential loss of retail expenditure is thought to be in the region of 80%.

Tesco considers that the loss of retail trade to the Sainsbury at Kiln Lane and to other centres is something that the Plan should address. This loss of retail expenditure to other centres and out of centre locations is a fundamental issue for the vitality and viability of Epsom town centre and should be at the very heart of the Council promoting Epsom for the future. The pessimistic approach taken by the Council will not act in the best interest of Epsom, it will not secure investment, regeneration or employment to the degree that such a high order centre should be achieving, and is likely to undermine Epsom's retail hierarchy which is already identified by the Council to be under pressure.

Tesco consider that there is a need for a qualitative element in Policy E3. Issues related to qualitative need have been set out previously in the GL Hearn letter dated 21.12.09 (page 9 / 10).

Item 6

Tesco understand that the core area (town centre retail area) as described by the Council generally follows the description in PPS4 'primary shopping area'.

Tesco do not necessarily consider that this boundary as shown is correct as the Council have clearly identified land under policy E14 in Plan E for a mix of uses including retail. Given this Tesco maintain the comment of previous representations that the boundary for primary and secondary frontages needs to be extended in light of the Policy E14 and thus the core retail area (red line of Map 8 of Plan E) should be reviewed and in Tesco's mind increased to take into account the land highlighted under Policy E14 (a major town centre regeneration site for retail, residential and commercial uses at Upper High Street / Depot Road).

Item 9

The Council are seeking a gateway to Epsom on Upper High Street in the area around the Tesco site and the existing two storey residential properties. The Council suggest an indicative area for the gateway in Plan E (map 4). Map 9 of Plan E highlights the area to which maximum 12m or 16 m height zones would be suitable. Other areas of the Tesco and Council site at Upper High Street / Depot Road are covered by a mix of the 12m and 16m height zones.

This height zoning needs to be assessed in light of existing buildings and the surrounds and the size of each site, and the type of development that the Council wishes to come forward. Whilst very tall buildings may be out of character each site must be assessed on its individual merits, a very large deep site may offer the opportunity for greater height as this would not be visible from the immediate surrounding streets for example.

Tesco would suggest that policy E7 would be unduly restrictive and could hinder development coming forward. It is suggested that the policy is too prescriptive and there is no clear evidence of analysis that has been undertaken to formulate the height zones suggested by the Council. It is considered such limitations will stifle design, and whilst Tesco acknowledge height could be an issue and sensitive in this area this should be considered and addressed at an application stage.

Height restrictions will have negative implications on opportunity sites. Aspirations for the Upper High Street / Depot Road site are set out in Policy E14 however until the Council have produced possible plans it cannot be clear if all the uses, density and floor space can be achieved successfully within the parameters that they have set in relation to height.

Item 1

Tesco Stores Limited will only comment on Policy E14.

Tesco understand that a 'small – medium sized food store' as set out in Policy E14 would in PPS4 terms fall under the description of 'supermarkets' which have a trading floor space of 2,500 sq m or less. Tesco take issue with the Council's prescription on scale.

It is the view of Tesco that Epsom as a Town Centre should have at least one superstore with a trading floor space over 2,500 sq m. In trading terms it is difficult to conceive that a town centre could compete, without such a main food superstore; without such a main food shop destination in the town centre would put Epsom at a competitive disadvantage to those towns with which Epsom already competes and loses trade too. Furthermore, it should be noted that the site previously occupied an Iceland food store; therefore the history of food retail on this site serving the town should not be overlooked.

Appendix 2D of the GVA Grimley 2009 retail study confirms that no food stores in the Town Centre provide the provision expected for a town centre as the existing stores can only be seen as supermarkets. The only superstore for the Epsom area is located out of centre (Sainsbury at Kiln Lane). The GL Hearn letter attached (dated 21 December 2009) highlights on page 9 that the

existing in-town food retail units (Waitrose and Marks and Spencer) are only used for top-up shopping – as stated by the GVA Grimley Retail Study and are not used for main food shopping.

Tesco maintain the view that a small-medium sized food store (supermarket) in PPS4 terms on the Upper High Street site will not provide the food retail offer that should be expected in any town or district centre. Epsom should expect to have at least one superstore within the town to provide a main food shopping function which should tie in with comparison shopping and other linked trips in the town. The further issue with the Council seeking a supermarket rather than a superstore is that it will not attract new people / shoppers back to Epsom or seek to attract investment to bring such a development forward.

A small supermarket and niche retailers as sought by the Council is not an economically viable development opportunity but an idealistic vision and one that is highly unlikely to come forward in any economic climate. As such it has not been demonstrated by the Council as being deliverable and needs to be better considered.

The view of the retail agents who are advising Tesco, supports our view that retailing in Upper High Street does not work currently as it lies outside the main "retail pitch" and without a 'draw' along the road there is no great reason for a shopper to walk along it. What this end of the town needs to make the retail pitch stronger is a strong customer attraction, such as that provided by a large food superstore.

Looking at the existing retail offer along Upper High Street, with several independent retailers and numerous take-away units, it is clear that any retail development of the subject site as individual units will not be financially viable as firstly there are an insufficient number of retailers willing to take new space here and secondly, the levels of rent that any retailer would be prepared to be pay coupled with the probable lack of financial strength of any retailer prepared to go here would not make the scheme financially viable. We therefore see the ideal and only viable retail use for this site as a strong food offer, "anchoring" the retail pitch at this end of the town.

Tesco draw reference to the lack of any space planning on site undertaken by the Council on the site E14 other than some constraints plans. Tesco have attached for reference a 'constraints plan' which demonstrates existing services, boundaries and easements. In addition to this space planning would need to consider such matters as highways, movement, servicing, parking etc.

Tesco believe that a store of the size they submitted in their planning application – (the approximate same size trading floor as previously supported by the Council Officers for the Helical Bar planning application), but which was refused by Members and then subsequently overturned by the Council can bring significant benefits to Epsom town centre. This will be not only in terms of providing main food shopping in the town centre, and subsequent linked trips, but regeneration benefits, employment, town centre carking, highways improvements etc. Tesco submitted with their November 2009 application a town centre study – this is attached with this letter for reference.

Tesco withdrew the planning application submitted in November 2009. It is the intention of Tesco to bring forward a new planning application for the site. As yet a timetable for this has not been confirmed. This new planning application will provide a food store of a similar size to that previously submitted (i.e. 4,000sq m net sales area) with town centre car parking and possibly residential dwellings as well.

Tesco is committed to the redevelopment of the Upper High Street site. It is the understanding of Tesco that the Council is also committed to a redevelopment of the site given that the Council have highlighted the site for redevelopment in Plan E.

It is understood that the number of car parking spaces suggested in Policy E14 by the Council has been reached as an assessment of demand and reflects generally the number of spaces already available at Upper High Street and Depot Road car parks. That being said given that the future development of the site will result in a number of uses, including a town centre car park it is considered that the number is policy compliant.

It must be noted that Tesco do share the Council ambition in broad terms for this site, however Tesco do believe that it needs to be deliverable. Tesco has not as yet undertaken a master plan of the Upper High Street and Depot Road site. It is the intention of Tesco as part of any new planning application to provide drawing(s) that demonstrate how the Policy E14 site can work as a single site, whilst also providing what Tesco are seeking to achieve on the Upper High Street site and car park.

In relation to providing a de-centralised heat and power generation source Tesco would highlight that until a feasibility review has been undertaken to determine load requirements for the different site uses amongst other factors that would all need to be assessed.

Tesco would suggest that Policy E14 is too detailed and therefore too prescriptive and policies dealt with elsewhere are more simplistic.

Should you have any queries with regards the above please do contact either Alastair Crowdy or Paul Manning of GL Hearn in the first instance.

Yours sincerely



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Planning Director
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- GL Hearn letter dated 21.12.09
 - GVA Grimley Letter dated 27.01.10
 - GL Hearn Town Centre Report – September 2009
 - Constraints Plan 3651-00-001