

Opinion on Retail Planning Statement
Mark Myles
September 2020



**OPINION ON RETAIL PLANNING
STATEMENT
HOPEMAN SERVICE STATION,
FORSYTH STREET, HOPEMAN**

20/00474/APP – Demolish existing service station and garage and erect retail unit, light industrial unit and 2no. blocks of residential flats at Hopeman Service Station, Forsyth Street, Hopeman

1.0 Background

- 1.1 Bidwells have been instructed by Moray Council to review and comment upon the Retail Planning Statement (RPS) prepared by North Planning & Development on behalf of Springfield Properties and which has been provided in support of the above planning application (20/00474/APP).
- 1.2 The RPS was submitted in June 2020 and therefore predated adoption of the Moray Council Local Development Plan (MLDP) on 27th July 2020. The RPS report does however address the emerging policies that were coming forward at the time and have since been included within the adopted MLDP 2020.
- 1.3 We would therefore offer the following comments on the planning application and particularly the RPS Report.

2.0 Existing Business Area

- 2.1 The planning application site is contained wholly within the Hopeman settlement boundary and where the site is predominantly located within the I1 existing business area land use identification within the MLDP 2020. The I1 site designation was identified in the previous 2015 LDP and retained in the MLDP 2020 and is still classed as an existing business area, however it was expanded slightly to the east to reflect the wider Tullochs of Cummington grounds.
- 2.2 Although the RPS makes the point that the site of the proposed retail building is located within the 'white land' strip along the site frontage, the application proposal also includes housing and associated car parking and servicing for the retail use that is located within the I1 zoning. Accordingly, policy DP5 is relevant in that the majority of the site is identified for industrial or commercial use. Policy DP5 (d) relates to existing business areas and states 'Long established business uses will be protected from non-conforming uses (e.g. housing). The introduction or expansion of non-business uses (e.g. retail) will not be permitted, except where the total redevelopment of the site is proposed.'
- 2.3 In addition to retail and residential uses being specifically excluded as appropriate land uses within existing business areas, it is also noted that the I1 Forsyth Street Existing Business Area is the only identified business/industrial site that is allocated for such uses within Hopeman, and indeed within the wider catchment area including Duffus and Cummington.
- 2.4 Para 1.5 of the RPS Report comments on the previous use of the site and the site having a commercial character, hence highlighting the very reason why the majority of the site continues to be allocated as an existing business area in the MLDP2020. It is also noted that no

representations or objections were submitted against the existing business area land use allocation, during the consultation process on the recently adopted MLDP 2020.

3.0 Retail Unit

- 3.1 In terms of the retail element of the proposal, the application form and supporting statements highlight that the proposed gross floorspace is 372 sqm (measured internally) with a resultant net floorspace of 260 sq m. The amended ground floor plan (drawing ref: L-102 Rev A) shown in the application submission simply shows a dividing wall separating the net retail sales area from the back of house storage and staff areas. The amended ground floor plan provides no definition on the layout for how the non retail space would be used or configured i.e. no toilets, no kitchen or rest area, locker room or dedicated storage areas are shown - just a simple wall divide. In our opinion the proposed 70% split in the gross to net floorspace is low for this size and type of convenience retail unit, especially as 50 sq m of external yard storage space is also shown on the proposed layout drawing. It would normally be expected that for the size of store proposed, the back of house area would be lower than 30% because of the advances in technology for ordering fresh stock and daily deliveries, thus having the effect of increasing and maximizing the available net retail floorspace offer within a unit.
- 3.2 Policy DP7 c) within the recently adopted MLDP 2020 supports one unit of up to 400m² designed to meet the day to day convenience needs of a neighbourhood. However, the justification/notes that accompany Policy DP7 further clarify that ‘for the purposes of this policy “neighbourhood” will only apply to new areas of significant housing growth at Elgin South, Findrassie, Buckie south west and Lochyhill, Forres.’ Policy DP7 c) does not therefore provide any specific support to this proposal.
- 3.3 Hopeman does not have an identified retail centre in the MLDP 2020 Settlement Map, but clearly does contain a number of convenience retail units all centred along Harbour Road (between Forsyth Street and the Harbour) and these have been identified by the agent in the table in para 3.6. In addition, there are a number of other ancillary service units e.g. cafés, takeaway, and comparison retail units.
- 3.4 The RPS provides no comment or statement and no assessment of any other site/property to suggest that the current application site is the only or indeed the optimum site available for any further retail use in Hopeman. On this point it is noted that the adopted MLDP 2020 includes specific reference to the Hopeman Caravan Park (site T1 – Tourism) being capable of providing ancillary services appropriate to tourist development including uses such as a shop and which would also be located closer to the historic harbour area.
- 3.5 The Catchment Area is explained in the RPS as including Duffus and Cummington but is not illustrated on a map and other than those shops located within Hopeman itself, it doesn’t list any other shops that may be located within the catchment e.g. there is no reference to Duffus village shop.
- 3.6 Inevitably for a catchment with characteristics such as this, a large proportion of the current available expenditure from the catchment will be spent on larger/weekly shops at main supermarket stores located in the larger towns e.g. Elgin and Forres. The point here is that Hopeman currently serves as a local convenience centre that provides top up shops and services for resident’s everyday needs. The proposed Co-op would therefore not compete with the retail offer provided at the much larger main stores already located in Elgin or Forres. The proposed Co-op is therefore not a direct like for like comparison and would not provide an offer that would significantly reduce leakage of expenditure per head from within the catchment. The RPS simple

assumption that 100% of the turnover for the proposed Co-op store would be made up wholly of retained leakage of expenditure from within the catchment is considered to be highly improbable.

- 3.7 Although the proposal may help to reduce the need to travel to convenience stores for some people in Hopeman, the RPS gives no account of the fact that an increasingly greater percentage of convenience expenditure is now spent online. Online deliveries now account for up to 20% of larger stores total turnover, and the ongoing Covid19 situation has provided further confirmation and evidence of the continued increasing trend of online services and deliveries. This is likely to be particularly evident in a rural catchment such as this.
- 3.8 The size and location of the proposed store is such that it would normally be expected to compete on a like for like basis with other similar sized stores already located within the catchment e.g. Costcutter in Harbour Street as well as W Reid Butcher, Duthie Pharmacy, Post Office and newsagent all located on Harbour Street. The RPS makes no attempt to show how much trade diversion would actually be generated from these existing stores to make up the total turnover of the proposed new Co-op store. The RPS assumes that there would be 0% trade diversion from any of the existing stores, which given the size of Hopeman and the location of the proposed site in relation to these existing stores, would also seem to be completely unrealistic and unreasonable.
- 3.9 Hopeman and the wider catchment area already accommodate a good number and range of quality local convenience shops and there is a lack of a qualitative justification for the development. One of the Development Strategy/Placemaking objectives for Hopeman as set out in the MLDP 2020 is to safeguard the distinctive character of the village. Negative trade diversion from the existing convenience stores to help facilitate the turnover of the proposed Co-op store could result in the closure of any of the existing stores to the detriment of the distinctive character of the village.
- 3.10 The applicants refer to this development being of a gross floorspace of 372 sq m which is not dissimilar to the total combined floorspace estimated for the 5 convenience stores already in Hopeman (420 sq m) and listed in the table under para 3.6. This proposal would therefore represent an 88% increase in convenience floorspace within Hopeman.
- 3.11 The current retail rankings show that Co-op's average company turnover per store is around £8000 per sq m (£743 per sq ft). Based on the 260 sq m of net floorspace indicated in the application submission this would equate to a total turnover of £2.08m per annum. However, if as highlighted above the 70/30 split in floorspace became e.g. 85/15, then the net floorspace increases to 316 sq m which would then result in the turnover rising to £2.53 m. In comparison Tesco's average turnover is £985 per sq ft and this would generate a turnover of £2.76m for a store with net floorspace of 260 sq m.

4.0 Conclusions

- It is recognised that the RPS report provides a high level analysis but it is an overly simplistic retail assessment that makes a number of very broad based assumptions. Even applying some subtle changes to those assumptions could potentially have a significant impact on the vitality and viability of the existing convenience stores located within the catchment;
- In reality the gross to net % split in the floorspace is likely to be greater than the suggested 70/30 resulting in more useable net floorspace within the proposed store, thus generating a higher turnover for the store than currently forecast;

- Not all of the stores within the catchment area are listed thus reducing the level of available expenditure within the catchment;
- There is little qualitative justification provided for the development. Although it is stated that Co-op are the intended occupier of the retail unit, the expected turnover of the unit (and resultant potential impact on existing stores) could vary wildly depending on the exact named operator and this would be difficult to control;
- Within the RPS there is a focus on retaining leaked expenditure within the catchment to being able to then benefit the entire turnover of the proposed Co-op store. To suggest that 100% of the turnover of the proposed new store would be generated from expenditure currently leaking from the catchment is unreasonable;
- The RPS is generally silent on exactly where the surplus of £3.47m of convenience expenditure is currently being spent e.g. larger stores in Forres and Elgin or what impact the suggested trade diversion (which would be in excess of £2m for the proposed store), would then have on any of those stores or other local centres.
- The RPS fails to consider or acknowledge that there would be any trade diversion from the existing stores within the catchment area. This is also a questionable assumption. The estimated average turnover of the existing stores within the catchment are set out in the table in para.3.6, and any reduction caused by trade diversion to a new store that is located on the edge of Hopeman could have an adverse impact on their vitality and viability, and lead to a loss or displacement of jobs.



BIDWELLS