



**RETAIL AND COMMERCIAL LEISURE STATEMENT  
ON BEHALF OF CHESTNUT HOMES LAND LIMITED  
IN RESPECT OF APPLICATION FOR COMMUNITY  
STADIUM AND ENABLING DEVELOPMENT,  
INCLUDING FOODSTORE, HOUSING AND  
COMMERCIAL LEISURE USES ON LAND AT  
QUADRANT 1, TYTTON LANE EAST, BOSTON**



**SIGNET PLANNING**

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## **SECTION 1: INTRODUCTION**

- 1.1 The Retail and Commercial Leisure Statement has been prepared on behalf of Chestnut Homes Land Limited in support of their planning application for the construction of a community stadium together with 'enabling' development which comprises 500 dwellings, a foodstore, hotel and commercial leisure floorspace accommodating eating and drinking out/takeaway facilities in six units, ranging in size from 200 sqm to 600 sqm gross.
- 1.2 The application site is split across two parcels of land. The residential, foodstore, hotel and the bulk of the commercial leisure floorspace (four units) is located on land to the south of Tytton Lane East (east of London Road and west of the A16). The community stadium and the remainder of the commercial leisure floorspace (two units) is located on land directly to the east, on the opposite side of the A16.
- 1.3 The Planning Statement discusses in detail the reasons why a new stadium is needed and the role of the football club in the Boston community. The existing lease on their York Street stadium will expire in 2018 and will not be renewed. There is, therefore, an urgent requirement to find alternative premises. However, the relocation needs to also ensure the football club is able to accommodate and enhance its growing suite of community programmes and related activities, which have been very successful in addressing social inclusion. Furthermore, the stadium needs to provide conference and hospitality facilities in order to ensure that it has a financially viable future. The facilities need also to be of a quality that would allow the stadium to provide an attractive and competitive conference venue.
- 1.4 In order to secure the construction of a new community stadium for Boston United Football Club and its associated community facilities, 'enabling' development is required to bridge the funding gap that exists between implementation and the aggregate of potential funding from other sources. Without the additional value created by the 'enabling' development, the community stadium cannot be built.
- 1.5 Whilst the retail and commercial leisure floorspace represent key components of the 'enabling' development, they are nevertheless 'main town centre uses' as defined in

the NPPF (Annex 2: Glossary) and for such uses National Planning Policy Guidance is clear:

**“Local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up to date Local Plan”** (paragraph 24), and

**“When assessing application for retail, leisure and office development outside of town centres which are not in accordance with an up to date Local Plan, local planning authorities should require an impact assessment”** (paragraph 26).

1.6 The following report therefore considers the foodstore (its convenience and comparison goods floorspace), the commercial leisure floorspace and hotel in terms of:

- i. the sequential approach to site selection,
- ii. the impact on nearby shopping centres and facilities, and
- iii. the wider economic and regeneration benefits of the proposed development.

1.7 The conclusion brings together the findings of the constituent elements of the retail and commercial leisure statement in support of the application proposal.

## SECTION 2: SEQUENTIAL ASSESSMENT

### Introduction

- 2.1 The application site is defined as 'out-of-centre', being some 2.5km to the south of Boston town centre. For this reason, the NPPF requires that applications for main town centre uses that are not in an existing centre should follow the sequential test. Paragraph 24 of the NPPF explains the process that should be followed. Applications for main town centre uses should first consider locations in **"... town centres and then in edge of centre locations and only if suitable sites are not available should out-of-centre sites be considered"**. Paragraph 24 goes on to say that **"when considering edge of centre and out-of-centre proposals, preference should be given to accessible sites that are well connected to the town centre"**.
- 2.2 It is entirely appropriate and reasonable to consider the impact of new retail and leisure floorspace upon existing shopping centres and competing facilities in order to understand what effect new development would have on town centre vitality and viability and whether the scale of impact would be within acceptable limits. Section 3 of this report assesses in detail the impact of the proposed foodstore and the commercial leisure floorspace.
- 2.3 However, there is a dilemma over the value of undertaking a sequential test for the 'main town centre uses' of the development scheme as this will mean having to disaggregate these uses from the proposed development, which would raise a number of serious concerns over viability. Nevertheless, the following section considers the sequential assessment of the 'main town centre uses' but within the context of the key role that these uses play as 'enabling' development in bringing forward the construction of the community stadium. It is through the 'main town centres uses' that sufficient funding (through land and property sales) will be realised.

## **Enabling Development**

- 2.4 The financial benefit derived from the retail and commercial uses can only be realised on land that is within the control of the applicant. The identification of alternative sites to accommodate the retail and commercial leisure components of the development scheme would not benefit the applicant if the land/buildings identified as 'sequentially preferable' would need to be purchased. This would merely 'wipe out' the enhanced land value the applicant is relying upon to fund the construction of the community stadium. All that would occur is the granting of planning permission for retail and leisure uses on various sites in Boston, which may or may not be implemented. There would be no new stadium as the finance from enhanced land sales and occupancy agreements would not be available to the applicant.
- 2.5 It is contested that the sequential test should apply to the scheme as a whole and that the retail and commercial leisure uses should not be disaggregated. However, the acceptability of such an approach is very much linked to accepting that the retail and commercial leisure uses are key to realising the construction of the community stadium.
- 2.6 The planning statement discusses the concept of enabling development in detail (in section 7). It is nevertheless important to highlight an emerging trend and that is the Planning Inspectorate's acceptance of enabling development for schemes that are wholly unrelated to the preservation of listed buildings (the NPPF refers to enabling development in the context of safeguarding a heritage asset in paragraph 140). Due to the significant costs associated with stadium construction, retail and commercial leisure floorspace features prominently as enabling or support services in stadium developments.
- 2.7 An appeal in 2006 relating to the construction of a mixed use development, comprising a 20,000-seater stadium for Salford City Reds, a 208-bed hotel, gym, exhibition space, bars, restaurants, takeaways and 21,367 sqm of retail floorspace was allowed (APP/U4230/V/06/1197821). A key consideration was the enabling role of the retail and commercial leisure floorspace to raise sufficient funds to secure the construction of the stadium. An impact assessment was undertaken, along with a

sequential test. In terms of the latter, the test considered the retail development as a single entity (of which there were no sequentially preferable sites) and then disaggregated the retail floorspace (of which there were a number of sequentially preferable sites). The Inspector confirmed that the development proposal did not meet an identified quantitative or qualitative need for the retail floorspace, nor did it satisfy the sequential test (of PPS6). However, he went on to say that it is important to consider the proposal as a whole and that **"... when this is done, it is clear that the retail elements of the proposal are properly and reasonably required as enabling development for the stadium"**. He concluded that **"The overall package brings with it very important benefits, and that the overall benefits are considered to outweigh the conflict with policy"**. Despite the availability of sequentially preferable sites, the value of considering the development as a single unit was strongly supported by the Inspector and, by this token, land in single or partnership ownership that is available, suitable and viable for the development proposed.

- 2.8 More recently, a 2012 'call in' inquiry for a community stadium, B8 and B1 floorspace, hotel and A3 uses in Wakefield was granted planning permission (APP/X4725/V/11/2144563). Here, the Inspector concluded that **"The proposal would not be in strict compliance with policy for sustainable economic growth, particularly in terms of the requirements of the sequential approach to main town centre uses but that an exception should be made .... on the basis that the hotel and A3 uses are necessary components of a wider scheme, all elements of which must be provided in order to enable the funding of the stadium and community elements"**. The applicant (supported by the Council) undertook a sequential test for the development scheme in its entirety. There was no disaggregation of its component parts and the applicant (and Council) argued that the 'town centre uses' would not be proposed unless they formed part of the complete development proposal. The Inspector commented that there is merit in this approach and that **"... it is abundantly clear that there would have been absolutely no utility in requiring standalone sequential assessments for the restaurant and hotel"**. Although it was accepted at the inquiry that sequentially more favourable sites could be found for the commercial and leisure uses, the Inspector commented that **"I accept that there is not a reasonable prospect of a sequentially preferable opportunity coming**

**forward which is likely to be capable of meeting the same requirements as the application is intended to meet".** Furthermore, the Inspector stated that whilst **"no empirical evidence of need or demand for hotel accommodation is submitted ... there is specific evidence in terms of the economic appraisal and supporting information which indicate that the entire development is needed to provide the cross-subsidy for the stadium and community elements. Plainly without the entire development, the finance simply would not exist to bring the development forward"**.

- 2.9 It is clear from the above appeal decisions that an assessment of sequentially preferable sites for the proposed retail and commercial leisure floorspace will need to be undertaken in order to accord with the requirements of the NPPF. However, it is also clear that a key consideration in this process will be the ability of a 'sequentially preferable' site to assist in bringing forward the construction of the stadium and associated community facilities. Therefore, whilst a site might be available (within a reasonable timeframe) and viable (for the 'main town centre' use proposed), its suitability should be judged – not in terms of the occupying use, but in the context of the contribution the site will be able to make in raising the finance for the construction of the community stadium.

### **Sequential Assessment**

- 2.10 The area of search for sequentially preferable sites has been confined to the catchment area defined for the retail and commercial leisure floorspace, which is a 15-minute drive time. The extent of the catchment area is shown in Appendix 1. The principal purpose of the planning application is to secure the construction of a new community stadium for Boston. The consideration of alternative development sites in other towns to accommodate the stadium is considered to be wholly inappropriate (and perverse). The role and importance of the club to the town is significant and the loss of the club from Boston would have a damaging adverse impact upon the community.
- 2.11 The size of the development site is around 28 hectares and two sites have emerged as potential alternative locations to accommodate the proposed development,

following discussions with the local planning authority and feedback from the community consultation exercise undertaken during November 2013. These are:

- i. Land adjacent Princess Royal Sports Arena, and
- ii. Kirton Storage and Distribution Park.

2.12 The sites are identified in Appendix 2A, and the location of each clearly shows that they are classed as 'out-of-centre'. Both are some distance from Boston town centre. The Princess Royal Sports Arena is outside of the development limits of Boston, 3.5km to the west of the town centre. Kirton Storage and Distribution Park is located on the south-eastern edge of the village of Kirton, 6km to the south of Boston town centre (and around 450m from Kirton village centre). Based on the definitions of 'in centre, edge of centre and out-of-centre' contained in the glossary to the NPPF, both sites are classed as 'out-of-centre' development sites. In terms of 'out-of-centre' sites, paragraph 24 states that:

**"... Preference should be given to accessible sites that are well connected to the town centre".**

Therefore, the key consideration in differentiating between out-of-centre sites is the level of accessibility afforded to each. Both of these sites have been considered in detail in the Planning Statement, but to summarise:

#### Land Adjacent Princess Royal Sports Arena, Boston

- It is located outside of the development limits of Boston within a countryside designation (adopted Local Plan).
- The existing site is a fully functioning sport and recreational facility with a gym, swimming pool, outdoor athletics track, indoor running track, badminton court, five-a-side pitch and is home to Boston Rugby Football Club.
- The Princess Royal Arena is owned by Boston Sports Initiative (BSI) – a charitable trust. The Council has a long lease on the facility and has invested heavily over the years. The scale of development required to 'enable' the

construction of the community stadium would need the purchase of around 28 hectares of adjoining land which is in private ownership and currently in agricultural use.

- The location of the site is poorly served by public transport and is viewed by both Boston residents and users of the sports facility as being inaccessible for anyone without a car.
- The peripheral, remote location of the site and the very weak public transport links means that it is poorly connected to Boston town centre.

2.13 It is considered that the site is neither suitable, available nor viable for the development proposed. There are substantial doubts over the availability of such a large site which is in private ownership, not on the market, and in agricultural use. It is not suitable as it is in a wholly unsustainable location – outside of the development limits of Boston with very poor public transport links. This is of particular importance when considering the nature of the ‘enabling development’ proposed – a foodstore, commercial leisure floorspace and 500 dwellings. These uses require a location that can be easily and conveniently accessed by all modes of transport. In terms of viability, the site has no advantages over the Quadrant 1 (Q1) site. 28 hectares of land adjoining the sports arena would need to be purchased. However, unlike the application site, the purchase price would likely reflect market values for the uses proposed – residential, commercial leisure and retail.

#### Kirton Storage and Distribution Park

- The site is located outside of the settlement boundary of Kirton (a village to the south of Boston) and is currently in agricultural use.
- The site extends to 11 hectares in size and is owned by the County Council. It is currently being marketed for employment purposes, with emphasis on distribution and storage operations.

- The construction of a community stadium, along with the nature and scale of 'enabling development' requires a site that is substantially greater in size than Kirton Storage and Distribution Park.
- The size of the proposed Q1 development scheme (28 hectares) would be disproportionate and out of scale with the size of Kirton village.
- The proposed development would directly conflict with the County Council's objective for the distribution park which is to create a high quality employment site that can benefit from its close proximity to the A16/A17/A15 junction, three miles to the south.

2.14 It is considered that this site is neither suitable, available nor viable for the use proposed. The site is too small and furthermore, its loss would remove the site from the Council's employment land supply. In this regard, it is important to note that the site is classed as a 'significant employment centre' in the South East Lincolnshire Employment Land Review 2012 (undertaken by NLP, having been commissioned by participating local authorities).

2.15 There are no alternative sites within the catchment defined that are sequentially preferable and which are available, suitable and viable to accommodate the development proposed. It is acknowledged that this assessment considers the Q1 site as a whole and does not disaggregate the 'main town centre uses' from the larger development scheme. However, these uses are key to raising sufficient finance for the construction of the community stadium and are necessary 'enabling development'. The loss of these uses from the development scheme would mean that the stadium would not be built.

#### Boston Town Centre

2.16 The town centre of Boston does not offer any opportunity for large-scale commercial development without significant demolition and clearance of existing retail and commercial premises. The Council's Retail Study (undertaken by Applied Planning) identifies an improvement area based around premises to the south of St Botolph's Church that would be suitable for a mix of leisure and small scale specialist retail and

tourist related uses. The study also identifies two redevelopment opportunities at (i) an area to the North of Wide Bargate, centred on the Red Lion car park for an extension to the primary shopping area, and (ii) the land around Tawney Street for larger space users (see Appendix 2B).

2.17 **Red Lion car park** - The application proposal provides for a large foodstore and a mix of eating/drinking out facilities. The foodstore is too large for the site and the commercial leisure floorspace would be incompatible with the objective of extending the primary shopping area (which by definition is an area where retail development is concentrated). The NCP car park – due to its close proximity to the primary shopping area, is well used and its loss would not be welcome by shoppers (or local businesses). Furthermore, any retail development is likely to require the demolition of a number of retail premises fronting Strait Bargate in order to achieve sufficient visibility and prominence. This would be unfortunate as, with the exception of the old Woolworth building, the retail frontage to Strait Bargate exhibits full occupancy. Having regard to the limited size of the opportunity site and the objective of extending the primary shopping area, it is our view that the site is not suitable to accommodate either the proposed foodstore or the commercial leisure floorspace. The car park is well used and is not being marketed for development purposes. It is therefore not available for development. Of key importance is the fact that the costs associated with what would be a complex land assembly process, would mean that funding could not be made available towards the construction of the community stadium.

2.18 **Tawney Street area** – This area (Wide Bargate and Tawney Street) exhibits full occupancy. The premises fronting Wide Bargate provide a variety of independents (for example, Coneys Clothing) and national multiples (for example, Iceland). Along Tawney Street is a mix of retail, restaurants and car showrooms (Toyota and Jaguar). The northern boundary of this area is defined by residential properties and the central park. The Tawney Street area is larger than the Red Lion site, and whilst it is too small for the proposed foodstore, it could potentially accommodate part of the commercial leisure floorspace (and associated car parking). However, based upon the absence of vacant sites/premises and no evidence of any marketing of occupied properties, it is concluded that the site is not available.

- 2.19 Due to the variety of different ownerships within the Tawney Street area and the nature of the uses trading, site assembly would be complex. Furthermore, the costs would be very high as these would need to be of a sufficient scale to encourage existing occupiers to move from a centrally located site where many have invested significantly in their businesses. These costs would mean that the 'enabling' role of the commercial leisure floorspace could not be realised and, as a consequence, the community stadium would not be built. It is therefore considered that proposed development of the site to accommodate part of the commercial leisure floorspace would undermine the viability of the Q1 development scheme.
- 2.20 **Town Centre vacancy** - In terms of vacant premises within the town centre, the GOAD Town Report for 2013 identifies a shop unit vacancy rate of 11.2%, which is below the UK average of 12.6%. Similarly, floorspace vacancy is lower than the national average (9% compared to 10.7%). The average unit size of vacant premises within the town centre is no more than 189 sqm gross, although this is skewed by a single vacant unit of 1,350 sqm gross in George Street (a vacant retail warehouse). By excluding this unit, the average vacant unit size in the town centre comes down to 157 sqm gross. This unit size is substantially smaller than any of the restaurant/bars/takeaways/cafés that are proposed as part of the Q1 development proposal.
- 2.21 The George Street warehouse unit (see Appendix 3) has been vacant for some time, previously occupied by a DIY operator (Wickes). The warehouse, although having a partial frontage to George Street is, nevertheless, hidden behind retail and commercial premises on West Street and residential terraced properties on Queen Street. Whilst the site and building is available and could potentially accommodate a portion of the commercial leisure floorspace proposed as part of the Q1 scheme, the costs of purchase (the building is currently on the market at a guide price of £1.15m) are such that the 'enabling' role of the commercial leisure floorspace could not be realised. Further along West Street, numbers 43-45 are also being marketed. These provide around 780 sqm sales area. However, the market guide price is £1m.
- 2.22 Whilst there may be a number of sites and buildings in Boston town centre which cumulatively could provide sufficient floorspace to accommodate the commercial leisure development that is proposed in the Q1 scheme, such a course of action

would, however, result in the commercial leisure floorspace no longer constituting 'enabling' development. The need to purchase various land and premises in the town centre to accommodate the commercial leisure floorspace means that there will be no enhanced land value which is the principal source of gap funding for the community stadium.

## **Conclusion**

- 2.23 It is considered that there are no sequentially preferable sites that are available, suitable and viable for the proposed development in terms of being able to accommodate the community stadium along with the 'enabling' development that is required to ensure successful implementation. Whilst there may be a number of sites and buildings in Boston town centre which cumulatively could provide sufficient floorspace to accommodate the commercial leisure floorspace proposed in the Q1 scheme, such a course of action would undermine the viability of the development package, the principal purpose of which is to secure the construction of the community stadium.
- 2.24 Planning appeals have shown that main town centre uses, in their role as 'enabling' development still need to follow the sequential test. However, a key consideration which has been recognised and accepted by the Planning Inspectorate in similar development proposals is the ability of a sequentially preferable site to assist in bringing forward and successfully securing the implementation of the application proposal. In the case of the Q1 development proposal, the application site presents the only realistic opportunity of being able to secure the construction of the football stadium and associated community and leisure facilities.

## SECTION 3: IMPACT

### Introduction

- 3.1 Paragraph 26 of the NPPF identifies the impact considerations arising from proposals for main town centre uses which are not in a centre or in accordance with an up to date development plan. These are:
- i. the impact on existing, committed and planned public and private investment in a centre or centres in the catchment area proposed, and**
  - ii. the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area.**
- 3.2 Paragraph 27 states that planning applications which do not demonstrate compliance with the sequential test or which are likely to lead to significant adverse impacts should be refused. However, it is important to reiterate the message contained in paragraph 14 of the NPPF which states that "At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development", and where no **significant** impacts have been identified, planning permission should be granted.
- 3.3 The following impact assessment considers the effects (both positive and negative) of foodstore development and the provision of commercial leisure floorspace upon nearby town centres and facilities, and whether the scale of impact is such as to raise concerns over town centre vitality and viability. The exercise first considers the proposed foodstore (both convenience and comparison goods impact) and then the commercial leisure floorspace (impact of the proposed eating/drinking out facilities and of the hotel). A key component of each assessment is the Household Survey undertaken in 2013 as part of the Council's Retail Study (South East Lincolnshire Retail Capacity Study).

**i. The impact on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal.**

3.4 There are no known committed and planned public and private investment proposals for new retail and leisure provision in Boston Town Centre that are similar to the type of development proposed in the Q1 scheme. Furthermore, there are no known significant planning commitments in Boston Town Centre that would be affected by the proposed development.

3.5 We are aware of Council-led strategies to improve the environment in Boston Town Centre. However, the proposed Q1 scheme would not impact upon these planned improvements.

**ii. The impact on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area**

**A. Proposed Foodstore**

3.6 The following evaluates the impact of the proposed foodstore upon the health and vibrancy of Boston town centre and nearby shopping centres, and upon the turnover of existing foodstores and facilities. The exercise has regard to (i) the size of the proposed foodstore, (ii) its distance to other competing foodstores, and (iii) the pattern of trade draw revealed through the Household Survey of convenience and comparison goods shopping patterns in South East Lincolnshire, which form the basis of the Council's 2013 Retail Capacity Study. The exercise also assesses the health and vibrancy of Boston town centre, updating the health check undertaken by Applied Planning in the Council's Retail Study (see Appendix 3).

3.7 The methodology adopted to consider the impact of the proposed foodstore on the vitality and viability of Boston town centre and upon nearby shopping centres and facilities follows a market share approach and, wherever possible, uses the Council's 2013 Retail Capacity Study produced by Applied Planning.

3.8 To confirm, the scale of development proposed is a foodstore of 7,000 sqm gross that will have a net sales area of 4,200 sqm, broken down into 2,730 sqm food sales

and 1,470 sqm non-food sales. However, the size of the foodstore is not 'fixed' as there is as yet no end user commitment. For the purpose of this assessment, the floorspace figure that has been used presents a maximum in order to provide a 'worst case' scenario for impact purposes. It provides a unit size that 'fits' between the size of the out-of-centre foodstores of Tesco on Westbridge Road and Asda on Lister Way.

## 1. Catchment Area

3.9 10 and 15 minute drive times have been used to define the primary and secondary areas for the application proposal. This is considered to be appropriate, having regard to the location of competing foodstores and the pattern of shopping movement revealed by the Household Survey undertaken as part of the South East Lincolnshire Retail Study. The extent of the catchment area is presented in Appendix 1. These drive times have been provided by Experian, using their Micro Marketeer Suite and represent (as standard practice for defining foodstore catchment areas) off-peak driving conditions.

3.10 The catchment area covers zones 1, 2 and part of zones 3, 4 and 12 of the Council's Retail Study and the extent of overlap is shown in Appendix 9.

## 2. Population

3.11 Population data for the 0-10 and 10-15 minute drive time zones has been obtained from Experian's Demographic Profile software, utilising the 2011 Census and the most up to date ONS based population projections. The exercise has used 2013 as the base year for the assessment, with 2018 as the design year. The use of 2018 allows for the passage of sufficient time for:

- i. planning application determination,
- ii. finance/legals,
- iii. the construction period, and
- iv. a settled period of trading.

Due to the size and complexity of the overall development scheme, which is focussed around securing the construction of the community stadium, a delay in any one stage of the programme may result in a later implementation date for the proposed foodstore. A later date would see a greater level of consumer expenditure being available (through population and per capita growth). However for the purpose of robustness, 2018 is considered to be an appropriate design year.

- 3.12 Appendix 4 contains population data for the primary and secondary catchment areas and a summary table is provided below:

Population

	<b>2013</b>	<b>2018</b>	<b>2021</b>
Primary catchment area	55,913	60,394	63,293
Secondary catchment area	14,910	16,021	16,587
<b>Total</b>	<b>70,823</b>	<b>76,418</b>	<b>79,880</b>

- 3.13 The table reveals that population growth between 2013 and 2018 is forecast to be 8% in the primary catchment area and 7.5% in the secondary catchment area. Over the broader 2011 to 2031 period, the Boston Draft Local Plan anticipates significant housing growth within the borough, which means that the population growth identified above is likely to be an underestimate. Furthermore, the Council itself believes that the Borough's population is larger than revealed in the 2011 Census and that ONS population forecasts 'underplay' the scale of in-migration. Housing growth over the next 15 years and in-migration all point to an underestimate of the forecast population for 2018 and 2021. As a result, the consumer expenditure 'pot' available within the Boston area is likely to be greater than the figures used in the following exercise. Therefore, the impact assessment very much presents a 'worst case' scenario.

3. Expenditure

- 3.14 Per capita expenditure figures for the 0-10 and 10-15 minute drive times have been obtained from Experian (2013 Expenditure Profile: 2011 Figures at 2011 Prices) and are compatible with the Council's 2013 Retail Study.
- 3.15 Special forms of trading (SFT) has been deducted using the 'adjusted' SFT rates present in Appendix 3 of Experian's Retail Planner Briefing Note 11 (October 2013).

The same Briefing Note has been used to obtain per capita expenditure growth rates (figures 1a and 1b on pages 10 and 11 of the Briefing Note). The tables below provide a summary of the average expenditure per head within the primary and secondary catchment areas (detailed tables are presented in Appendix 5, with adjustments made to acknowledge SFT):

Convenience Goods (£)

	<b>2013</b>	<b>2018</b>	<b>2021</b>
Primary catchment area	1,758	1,805	1,834
Secondary catchment area	1,882	1,932	1,962

Comparison Goods (£)

	<b>2013</b>	<b>2018</b>	<b>2021</b>
Primary catchment area	2,285	2,576	2,800
Secondary catchment area	2,499	2,816	3,061

3.16 In order to calculate the total level of consumer expenditure available within the primary and secondary catchment areas, it is a case of multiplying the population by the relevant per capita expenditure figures.

3.17 The tables below present a summary of the convenience and comparison goods expenditure. The detail of consumer expenditure is provided in Appendix 6.

Convenience Goods Expenditure (£)

	<b>2013</b>	<b>2018</b>	<b>2021</b>
Primary catchment area	96,930,850	109,016,585	116,079,360
Secondary catchment area	28,060,620	30,952,570	32,543,690
<b>Total</b>	<b>124,991,470</b>	<b>139,969,155</b>	<b>148,623,050</b>

Comparison Goods Expenditure (£)

	<b>2013</b>	<b>2018</b>	<b>2021</b>
Primary catchment area	125,988,045	155,582,670	177,220,400
Secondary catchment area	37,260,090	45,115,140	50,772,810
<b>Total</b>	<b>163,248,135</b>	<b>200,697,810</b>	<b>227,993,210</b>

3.18 It can be seen from the tables above that over the 2013 to 2018 period, convenience goods expenditure will grow by £14.98m (12%) within the catchment area. In terms of comparison goods expenditure, growth will be more significant at £37.45m or 22.9% over the same time frame.

3.19 It is important to note that the growth in consumer expenditure is based on forecast annual population increases that are 'trend' based and, whilst accounting for some housing growth in accordance with previous levels, do not take account of any significant movement such as urban extensions or large redevelopment schemes. Bearing in mind the scale of housing growth that is proposed in Boston over the coming years, the total consumer expenditure presented in the tables above is likely to be an underestimate. For example, the Draft Local Plan identifies 4,520 new homes that need to be built in Boston over the 2011 to 2031 period in order to meet local housing requirements, which averages 226 dwellings per year. By 2031, this would support a population of 10,400 residents and a convenience and comparison goods spend of £21.38m and £42.17m, respectively.

### **Turnover of the Proposed Foodstore**

3.20 The proposed foodstore will have a net sales area of 4,200 sqm (45,190 sqft) which will be split in the following way:

- Convenience goods – 2730 sqm (29,380 sqft)
- Comparison goods – 1,470 sqm (15,810 sqft).

3.21 A convenience goods sales density of £12,170 per square metre for the design year of 2018 has been used (inclusive of VAT), which represents the average of the sales densities of those large foodstore operators who are not currently represented in the Boston area. The data has been obtained from Mintel UK Retail Rankings and adjusted to take account of both non-store sales and comparison goods sales from foodstore floorspace. The same sales density has been used throughout the timeframe of this assessment. The reason for this 'no growth' scenario is that over the 2012 to 2015 period, convenience goods sales densities are forecast to decline and very little growth is forecast over the 2016-2021 period (Experian Retail Planner Briefing Note 11, Figure 4a).

3.22 For comparison goods, a sales density of £8,411 per square metre for the design year of 2018 has been used (inclusive of VAT). Again, this represents the average of

those large foodstore operators who are not currently represented in the Boston area. A growth rate of 1.5% per annum has been used over the 2012-2018 period.

- 3.23 Having regard to the above, the proposed foodstore is forecast to have a 2018 convenience goods turnover over £33,224,000 and a comparison goods turnover of £12,364,100, providing a total turnover of £45,588,100.

### **1. Convenience Goods: Trade Draw and Impact**

- 3.24 Considering the pattern of shopper movement revealed by the Household Survey undertaken as part of the Council's Retail Study (see Appendix 7, and converted to a monetary value in Appendix 8), it is likely that 60% of the store's convenience goods turnover will be drawn from quite a localised area – a 10 minute drive time, with a further 15% drawn from a 10-15 minute drive time. This pattern of draw is reflective of that observed for the out-of-centre Tesco foodstore on West Bridge Road and the Asda foodstore on Lister Way. The Tesco foodstore draws 72% and the Asda foodstore 74% of the total convenience goods turnover from zones 1 and 2. It can be seen from Appendix 9 that zones 1 and 2 represent the bulk of the catchment area defined for the proposed foodstore on The Q1 site. Therefore, a 75% draw from the catchment defined is considered justifiable and robust.

#### Convenience Goods Market Penetration 2018

<b>Drive Time</b>	<b>Expenditure in Zone (£)</b>	<b>Percentage Trade (%)</b>	<b>Turnover (£)</b>	<b>Market Penetration (%)</b>
0-10 Minutes	109,016,585	60	90,934,400	18.3
10-15 Minutes	30,952,570	15	4,983,600	16.1
15 Minutes Plus	-	25	8,306,000	-
<b>Total</b>	-	<b>100</b>	<b>33,224,000</b>	-

- 3.25 Whilst the table above identifies the anticipated draw from the catchment area, it does not provide a complete picture, as the trade draw figures are not sensitive to the new housing that is proposed as part of the development scheme. Neither does it acknowledge expenditure from visitors to the new stadium and associated conference, community and leisure facilities who may use the new foodstore.

- 3.26 The application proposal provides for the construction of 500 new dwellings. The new housing will be located in close proximity to the foodstore. The safety and convenience of access that 'proximity' provides, means that it is likely that a large proportion of the food shopping expenditure generated by residents will be captured by the new foodstore. That which is not, will instead go to existing foodstores and facilities in Boston, thus supplementing their income. Based on the average household size that the proposed development will accommodate, around 1,150 residents will generate £2.1309m of convenience goods expenditure at 2018.
- 3.27 Visitors to the new stadium and associated conference, community and leisure facilities will inevitably use the new foodstore, although the bulk of purchases made are likely to be top-up purchases (drinks, snacks, sandwiches, newspapers, etc). Furthermore, based simply on the nature of the activities and events that will take place at the stadium, many of these visitors are likely to be from outside of the catchment area defined (and outside of the Study Area used by the South East Lincolnshire Retail Study). For example, Boston United FC plays in the Conference North Division of the Football League which comprises teams from the North of England, the Midlands and Wales. Furthermore, the community, education, conference and banqueting facilities that are to be provided as part of the stadium development scheme will draw in people from beyond the town as there are very few examples of a comparable mix of facilities in this part of Lincolnshire. Therefore, a proportion of the turnover from the foodstore will be accounted for by such visitors, although this is likely to be relatively small in scale (no more than 1% of convenience goods turnover).
- 3.28 Taking into account the consumer expenditure generated by the new housing, the level of 'inflow' identified in the table above is reduced to about 18%. Of this figure, a small proportion (1%) will be derived from visitors who are attracted to the stadium (and associated facilities) from outside of the study area used for the South East Lincolnshire Retail Study. The remainder, however, will be drawn from South East Lincolnshire. Based on the shopping patterns revealed in the Council's Retail Study Household Survey, it is likely that the bulk of this 'inflow' will be drawn from zones 3 and 4 (Donington and Spalding, respectively) largely because of the direct road link provided by the A16 and the frequency of public transport along the route. The detail of where inflow will be drawn from is provided in Appendix 10.

- 3.29 The principal function of the proposed foodstore is to cater for main food shopping. Local shops and stores perform an important top-up food shopping role and this is evident from the results of the Household Survey. Whilst few respondents use large foodstores for top-up food shopping purposes, a proportion of the proposed foodstore's turnover will, nevertheless, be for such purposes. Therefore, to present a 'complete' picture of the likely pattern of trade draw following development, impact on both main food and top-up food shopping has been assessed.
- 3.30 Based on the turnover of supermarket operators revealed in the Household Survey (Morrisons, Aldi, Asda and Tesco in Boston and Morrisons and Sainsbury's in Spalding), an average of around 15% of the application foodstore's convenience goods turnover will be top-up food purchases. By comparison, the consumer expenditure split between main food and top-up food shopping is 75%/25%.
- 3.31 Having regard to the above, the proposed foodstore is likely to have the following trade draw/market penetration:

Main Food Shopping Market Penetration

<b>Drive Time</b>	<b>Expenditure in Zone (£)</b>	<b>Percentage Trade (%)</b>	<b>Turnover (£)</b>	<b>Market Penetration (%)</b>
0-10 Minutes	81,762,440	60	16,944,240	20.7
10-15 Minutes	23,214,430	15	4,236,060	18.2
New Housing	-	5.5	1,598,180	-
Inflow	-	19.5	5,461,920	-
<b>Total</b>	-	<b>100</b>	<b>28,240,400</b>	-

Top-up Food Shopping Market Penetration

<b>Drive Time</b>	<b>Expenditure in Zone (£)</b>	<b>Percentage Trade (%)</b>	<b>Turnover (£)</b>	<b>Market Penetration (%)</b>
0-10 Minutes	27,254,150	60	2,990,160	10.9
10-15 Minutes	7,7380,140	15	747,540	9.6
New Housing	-	10.5	532,720	-
Inflow	-	14.5	713,180	-
<b>Total</b>	-	<b>100</b>	<b>4,983,600</b>	-

- 3.32 The catchment area of the proposed foodstore encompasses either all or part of sub-zones 1, 2, 3, 4 and 12. In terms of identifying expenditure flows within the 0-10 and 10-15 minute drive times, it is reasonable and appropriate to assume that those centres and facilities which draw trade from these five sub-zones will proportionately

draw trade from the catchment area defined. The strength of market penetration from each has therefore been weighted, having regard to population and the settlement distribution within the catchment. The trade draw figures arising from this exercise are presented in Appendix 11. These have then been applied to the estimates of available expenditure presented in Appendix 12, to give a monetary value to the expenditure flows.

### **Convenience Goods Impact**

3.33 The table below provides a summary of the level of impact of the proposed foodstore. The detailed impact figures are presented in Appendix 13 (with inflow from Appendix 10). Impact will be on established outlets fulfilling the same function. The proposed foodstore is aimed primarily at catering for the weekly or less frequent main food shop and will therefore compete with existing foodstores fulfilling the same function. Therefore, the facilities which will experience the greatest impact will be 'like for like' foodstores, such as the Tesco and Asda in Boston and the Morrisons in Spalding – all of which are located 'out-of-centre'.

## 2018 Convenience Goods Trading Impact

	Turnover 2018 (£) <sup>1</sup>	Trade Capture 0-15 mins (£)	Trade Capture +15 mins (£)	Total Impact (£)	%
<b>Boston</b>					
Iceland	3,582,386	316,193	-	316,190	8.8
Co-op	1,810,126	136,688	-	136,690	7.5
M&S	8,287,450	877,232	-	877,230	10.5
Morrisons	9,412,310	1,515,506	-	1,515,500	16.1
All other town centre	3,244,719	222,075	-	222,070	6.8
Aldi (out-of-centre)	14,814,853	2,453,299	62,400	2,515,700	16.9
Asda (out-of-centre)	45,667,825	7,306,080	468,700	7,774,780	17.0
Co-op Eastwood	4,382,015	321,357	-	321,360	7.3
Tesco (out-of-centre)	42,218,579	8,312,151	411,350	8,723,500	20.7
<b>Spalding</b>					
Aldi	12,455,494	178,516	405,920	614,430	4.9
Lidl	3,905,235	41,350	99,500	140,850	3.6
M&S	4,979,556	125,340	-	125,340	2.5
Sainsbury's	35,519,345	602,198	1,276,000	1,878,200	5.3
Morrisons (out-of-centre)	46,215,442	1,222,660	1,882,400	3,105,060	6.7
Tesco Express (out-of-centre)	3,031,205	14,004	20,200	34,200	1.1
Co-op Donington	2,717,200	141,447	37,000	178,450	6.5
Co-op Kirton	3,309,866	372,793	-	372,790	11.2
Other <sup>2</sup>	-	758,290	1,481,370	2,239,660	-
New housing	-	(2,130,900)	-	2,130,900	-
<b>Total</b>	-	<b>24,917,000</b>	<b>6,175,100</b>	<b>33,224,000</b>	-

<sup>1</sup> Convenience turnover only. Derived from SE Lincolnshire Town Centre and Retail Capacity Study 2013 updated to reflect recently published data on consumer expenditure growth rates and special forms of trading. Excludes inflow.

<sup>2</sup> 'Other' 0-15 mins includes trade capture from other foodstores and shopping centres not referred to above of which there are six stores (but less than £75,000 from each). It also includes the Council's Retail Capacity Study category "All other non-town centre stores Boston" from which there would be trade capture of £0.221m.

'Other' +15 mins includes trade capture from foodstores serving residents of zones 3 and 4 (and, to a much smaller scale, zones 11 and 12). It also includes top-up expenditure capture from users of stadium and associated leisure and conference facilities (£0.3322m).

3.34 The Tesco foodstore on West Bridge Road will suffer the greatest impact from new development (-£8.723m), although it is important to note that the store is 'out-of-centre' and therefore receives no planning policy protection. However the level of overtrading recorded for this store, through the Household Survey undertaken as part of the Council's Retail Study, means that it would still trade well above its benchmark turnover level after impact has been assimilated (+£7.852m).

- 3.35 The Asda foodstore on Lister Way would lose around £7.775m (an impact of 17.0%), although this 'out-of-centre' store is also overtrading, but not to the same scale as the Tesco store (+12.2% or £4.954m). Nevertheless, the level of overtrading is sufficient to provide a 'cushion' to the impact of new development. After the impact has been absorbed, the Asda store would be trading no more than -7% (£2.821m) below its benchmark. This scale of under-trading is not 'significant' and would not lead to the closure of the store. Furthermore, population and expenditure growth would see the store achieve a turnover that would be a little above its benchmark by 2021.
- 3.36 In terms of the impact on large foodstores, it is important to note that the introduction of a new foodstore into the market will see a competitive reaction from existing comparable facilities which, in turn, will see a recapturing of a proportion of the trade initially taken by new foodstore development. New foodstore development is not immune to competition and it will often take some time for an operator to achieve benchmark sales. This means that the impact presented is very much a 'worst case' scenario as the store is unlikely to trade immediately at its benchmark, particularly as competitors will introduce measures to retain existing custom.
- 3.37 Overtrading is a feature of a number of the larger foodstores within the Boston area (particularly out-of-centre facilities). Based on constant market share, the following table (derived from the Council's 2013 Retail Study) identifies the convenience goods turnover of selected foodstores at 2018, but prior to the impact of new development.

## 2018 Turnover, prior to the impacts of new development

	<b>Convenience Floorspace<sup>1</sup> (net sqm)</b>	<b>Average Sales Density<sup>2</sup> (£ per sqm)</b>	<b>Turnover based on average sales density (£m)</b>	<b>Turnover derived from market share<sup>3</sup> (£m)</b>	<b>Level of overtrading (£m)</b>
<b>Boston</b>					
Tesco	2,111	12,148	25.644	42.219	+16.575
Asda	2,805	14,515	40.714	45.668	+4.954
Aldi	840	6,748	5.668	14.814	+9.146
M&S	580	10,294	5.971	8.288	+2.317
Morrisons	580	13,175	7.641	9.412	+1.771

<sup>1</sup> The floorspace data has been obtained from a variety of sources. The 2013 South East Lincolnshire Retail Study for Tesco and Aldi foodstores (Table 18A), the 2007 Planning Application for M&S (B/076709) which provided for refurbishment and improvement works, the 2006 Retail Study (Tribal) for Morrisons, and the 2006 planning application (B/060838) for Asda.

<sup>2</sup> Average sales densities derived from 2013 Mintel UK Retail Rankings, adjusted to account for non-store sales, VAT and floorspace devoted to comparison goods sales.

<sup>3</sup> Convenience turnover only. Derived from SE Lincolnshire Town Centre and Retail Capacity Study 2013, updated to reflect recently published data on consumer expenditure growth rates and special forms of trading.

3.38 In terms of the Morrisons in Boston town centre, the store would experience an impact of 16.1% (-£1.515m). However this does not constitute a 'significant' impact as the store is performing well. Despite only trading from a net sales area of around 683 sqm (of which 580 sqm is food sales), the store is performing 23.1% above its benchmark. After the forecast impact has been taken into account, the store will still be trading above its average sales density (+3.4%).

3.39 M&S and Iceland in Boston town centre would experience an impact of 10.5% and 8.8%, respectively. The table above reveals that M&S is trading well above its benchmark turnover level (+39%). Furthermore, Iceland is also trading well. Based on the Council's Retail Study, the store is trading 12.6% above its benchmark. It is therefore considered that the scale of impact identified would not undermine the health and vibrancy at either M&S or Iceland stores.

3.40 The out-of-centre Morrisons store in Spalding will experience an impact of 6.7% (-£3.105m). However, the store is trading well above its benchmark (+£14.516m). The impact is of an acceptable scale, having regard to the strong performance of this out-of-centre facility. The Sainsbury's foodstore in Spalding town centre would

experience an impact of £1.88m but this is no more than 5.3% of convenience goods turnover. Impact would not raise any concerns over the store's health and vibrancy.

3.41 The Co-op foodstore in Kirton is located around 2.5 miles to the south of the application proposal. It principally focusses upon performing a 'top-up' food shopping function and it is from catering to this need that the store derives 85% of its convenience goods turnover. By comparison, the proposed foodstore will primarily cater for main food shopping. However, due to its close proximity to the application site there will be an impact, albeit small in scale. This is forecast to be £0.372m. However, the impact identified needs to be considered in the context of the trading performance of the foodstore in Kirton. The Household Survey reveals that the store has a convenience goods turnover of £3.31m. When compared to the size of the store (260 sqm net convenience goods sales), the store's turnover is 44.9% above its benchmark. Even after the impact of new development has been accounted for, the store will still trade 28.5% above its benchmark turnover level. It is contested that impact would be within acceptable limits.

3.42 In terms of the level of impact on other shops/facilities within the town centre, this would be within acceptable limits and would not raise any concerns over town centre vitality and viability. An impact of 6.8% is identified. However, it is important to stress that this is very much a 'worst case scenario' as the convenience goods turnover of these stores and facilities is likely to be much greater than revealed in the Council's Household Survey. It is not uncommon for Household Surveys to underestimate the performance of town centre 'top-up' foodstores because respondents will usually provide a response based on larger, more high profile stores, and because people tend to use a variety of destinations for their 'top up' food shopping. Therefore a greater convenience goods turnover would translate into a further reduction in the scale of impact.

3.43 It is important to underline that the health and vibrancy of Boston town centre is not reliant on main food shopping. This is just one part of a much broader function and role that the centre performs. For example, the centre has a popular market which brings in shoppers from a considerable distance. It also has a strong comparison goods offer – around 30,000 sqm gross floorspace trading from 120 shop units, with a variety of national multiples represented, such as Argos, Boots, M&S, WH Smith,

Dunelm Mills, TK Maxx and Waterstones. It also performs a strong civic and administrative function. Boston College is located in the town and the centre has a range of cultural and leisure facilities, such as cinema, theatre/arts centre and bingo hall, which are all supported by a wide variety of pubs, bars, cafés and restaurants. Each of these reinforces the draw and attractiveness of the town, providing a 'critical mass' of facilities and services.

## **2. Comparison Goods: Trade Draw and Impact**

3.44 As discussed in paragraphs 3.23 and 3.24, the comparison goods floorspace component of the proposed foodstore would generate a turnover of £12.364m at 2018 (based on a sales density of £8,411 per sqm). However, consumer expenditure within the catchment area over the 2013 to 2018 period is forecast to grow by 22.9%, or +£37.45m. In other words, the total comparison goods turnover of the proposed foodstore can be comfortably accommodated by consumer expenditure growth over little more than a two-year period. It is therefore considered that the forecast comparison goods turnover of the proposed foodstore would not result in a 'significant' adverse impact on nearby shopping centres and facilities.

3.45 Notwithstanding the above, the following assesses the impact of the comparison goods floorspace of the foodstore upon competing centres and facilities. The exercise utilises the Household Survey undertaken as part of the Council's 2013 Retail Study and the pattern of shopper movement revealed therein (see Appendix 14, and converted to a monetary value in Appendix 15). The same catchment area used for assessing convenience goods impact has been adopted for the comparison goods impact model. The reason for this is that a large proportion of comparison goods purchases made at foodstores are undertaken as part of the main food shopping trip, rather than being the subject of a specific non-food journey. However, the levels of trade draw or market penetration from the 0-10 minute and 10-15 minute drive times have been adjusted to acknowledge that:

- i. it is unlikely comparison goods purchases would be made at the proposed foodstore by visitors to the stadium and associated conference and leisure facilities, and

- ii. the level of trade capture from consumer expenditure generated by residents of the new housing would be of a reduced scale, compared to the likely convenience goods expenditure capture.

3.46 The proposed foodstore will not function as a specific comparison goods shopping destination. The limited comparison goods offer will merely supplement and support the proposed foodstore’s principal role which is to cater for bulk food shopping needs.

3.47 It is anticipated that 80% of the proposed foodstore’s comparison goods turnover will be derived from the 0-15 minute drive time. Around 2.5% will be derived from the new housing development, with the residual – 17.5% identified as inflow. However, the bulk of inflow is likely to be captured from zones 3 and 4 of the Council’s Retail Study (Donington and Spalding, respectively), largely because of the direct road link provided by the A16 and the frequency of public transport along the route. The detail of where inflow will be drawn from is provided in Appendix 10. The trade draw of the proposed foodstore equates to a market penetration of 5.2% within the primary and 4.1% within the secondary catchment area, as presented below:

Comparison Goods Market Penetration 2018

	<b>Expenditure in Zone (£)</b>	<b>Percentage Trade (%)</b>	<b>Turnover (£)</b>	<b>Market Penetration (%)</b>
0-10 minutes	155,582,670	65	8,036,660	5.2
10-15 minutes	45,115,140	15	1,854,615	4.1
New housing	-	2.5	310,040	-
Inflow	-	17.5	2,162,785	-
<b>Total</b>	<b>-</b>	<b>100</b>	<b>12,364,100</b>	<b>-</b>

3.48 Adopting a similar approach to that used for identifying convenience goods expenditure flows, the trade draw of existing centres and facilities from the 0-10 and 10-15 minute drive times are presented in Appendix 16 (%) and Appendix 17 (£).

3.49 The market penetration figures provide a starting point from which to consider impact. However, it is unrealistic to think that there will be a uniform impact across the entire catchment area defined. Impact will primarily fall upon those centres/facilities which provide a comparable offer. This means that a large

proportion of the proposed foodstore's comparison goods turnover will be captured from other large foodstores which have a strong comparison goods offer. As discussed earlier, many of the comparison goods purchases made at foodstores are either made during the main food shopping trip or represent a return visit after being 'noticed' during a main food shopping trip. Therefore, shoppers who are attracted to the new foodstore to undertake food shopping are likely to also undertake associated non-food purchases as part of the same trip. In other words, the out-of-centre Tesco on West Bridge Road and the Asda on Lister Way will experience the greatest impact. However, a weakness of the 2013 Town Centre and Retail Study is that due to the questions asked – **"In which town centre, freestanding store or retail park does your household buy most of its ....."**, the comparison goods sales of solus foodstore units are likely to be underestimated. For many comparison goods purchases (particularly clothing and footwear) a comparison of the goods available in different shops (in respect of price, style, quality, etc) is undertaken before a purchase is made. It is therefore a venue which provides a grouping of shops/stores (allowing for this comparison to be made) that is normally recognised as the location where the **"household buys most of its ...."**. In this regard, the extensive variety of comparison goods shops in larger centres, such as Boston and Spalding, are often named in these surveys.

- 3.50 The impact assessment, if based on 'unadjusted' trade draw patterns revealed through the Household Survey, will present an underestimate of the comparison goods turnover of the Asda and Tesco foodstores in Boston. Both are 'out-of-centre' and their turnovers (derived from the Household Survey) are part of the aggregate turnover of Boston out-of-centre facilities which for 2018 totals £32.4m. However, from just the application of benchmark sales densities (derived from 2013 Mintel UK Retails Rankings), the Asda and Tesco foodstores would have a 2018 comparison goods turnover of £18.812m and £7.663m, respectively<sup>1</sup>. It is likely that the actual comparison goods turnovers of these foodstores are greater than this, having regard to the popularity of each amongst shoppers and the level of over trading recorded by the Household Survey in terms of convenience goods sales. However, for the purpose of this exercise, benchmark sales densities have been used.

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<sup>1</sup> Comparison goods sales area of 2,015 sqm for Asda and 905 sqm for Tesco and sales densities of £9,336 per sqm and £8,467 per sqm, respectively.

3.51 In order to accommodate the additional turnover of the two foodstores, £10m has been deducted from the Boston town centre total and transferred to 'out-of-centre'. This is considered to be an appropriate adjustment to make bearing in mind the possible overestimate of Boston town centre's comparison goods turnover (albeit small scale) and the nature of occupancy of retail parks (for example, Alban Retail Park and Boston Shopping Park) and of solus retail warehouse units in the Boston area, which all fall under the out-of-centre category.

3.52 The summary table of the scale of impact (with the adjustments referred to above) is presented below. The detailed impact figures are presented in Appendix 18 (with inflow from Appendix 10).

#### 2018 Comparison Goods Trading Impact

	Turnover 2018 (£) <sup>1</sup>	Trade Capture 0-15 mins	Trade Capture +15 mins	Impact	
				£	%
<b>Boston</b>					
Boston town centre	176,626,180	3,490,660	160,630	3,651,290	2.0
Asda	18,812,000	2,694,270	106,240	2,800,510	14.9
Tesco	7,663,000	1,518,990	53,450	1,572,105	20.5
Other out-of-centre	15,949,060	1,481,260	79,115	1,560,375	9.7
<b>Spalding</b>					
Spalding town centre	132,847,150	444,290	1,119,450	1,563,740	1.1
Spalding out-of-centre	12,241,580	209,680	154,960	364,640	3.0
Crowland	2,120,630	-	-	0	0
Donington	700,420	7,900	6,490	14,390	2
Holbeach	13,261,640	4,140	30,820	34,960	0.2
Kirton	49,060	-	-	0	0
Skegness	4,311,800 <sup>2</sup>	-	86,400	86,400	2
Sleaford	11,804,780 <sup>2</sup>	-	148,950	148,950	1.2
Other <sup>3</sup>	-	37,570	216,280	253,850	-
New housing	-	(310,040)	-	310,040	-
<b>Total</b>	<b>-</b>	<b>9,888,760</b>	<b>2,162,785</b>	<b>12,364,100</b>	<b>-</b>

<sup>1</sup> Comparison goods turnover only. Derived from SE Lincolnshire Town Centre and Retail Capacity Study 2013, updated to reflect recently published data on consumer expenditure growth rates and special forms of trading. Excludes inflow. Asda and Tesco turnovers based on benchmark sales densities derived from 2013 Mintel UK Retail Rankings.

<sup>2</sup> Comparison goods turnover derived from SE Lincolnshire Retail Capacity Study area only.

<sup>3</sup> For +15 mins, 'Other' includes trade capture from foodstore/facilities serving residents of zones other than 3, 4, 11 and 12.

- 3.53 It can be seen that the impact of the comparison goods component of the proposed foodstore will largely fall upon existing comparable foodstores of Tesco and Asda, which will experience an impact of 20.5% and 14.9%, respectively. This is not considered to be a scale of impact which would lead to the closure of either store. The comparison goods turnover attributed to each of these stores (based on benchmark sales densities) is likely to be an underestimate, bearing in mind the strength of performance of each in terms of convenience goods sales. However, it is worth noting that both stores are out-of-centre and receive no planning policy protection.
- 3.54 Impact on Boston town centre will be little more than 2%. This level of impact will raise no concerns over the town's health and vibrancy. The 2013 Retail Study identifies a 'good retail offer' and a 'popular market' as two of the key strengths of Boston town centre. It also goes on to say that the centre's strong representation of clothing and footwear retailers is **"... a good indicator of the town's function as a higher order centre"** (paragraph 6.9). Boston retains a high proportion of comparison goods expenditure from its immediate area and exhibits only modest levels of leakage. The diversity of the town centre's comparison goods offer (around 120 shop units comprising a mix of independents and national multiples) provides a greater shopping attraction that can be provided by the limited comparison goods offer of the proposed foodstore. For this reason, impact will largely fall upon competing foodstores where comparison goods purchases are often made as part of the main food shopping trip. Boston's strength of draw, the nature of its retail offer and importantly the broader role the town centre performs in terms of its civic, educational and administrative function and its cultural and leisure facilities will safeguard the vitality and viability of the town centre from 'significant' adverse impact arising from the proposed Q1 development.
- 3.55 The proposed foodstore is likely to account for a significant proportion of the convenience goods expenditure generated by residents of the new housing. However, the limited comparison goods offer of the foodstore means that the majority of the comparison goods expenditure of households on the Q1 site is likely to be spent in nearby towns and facilities. Having regard to the close proximity of Boston town centre and the strength of trade draw the centre commands from the immediate area (according to the Council's 2013 South East Lincolnshire Town

Centre and Retail Capacity Study, Boston town centre captures 75% of comparison goods expenditure generated within zone 1 which covers the Boston area), the principal beneficiary of this spend will be Boston town centre shops and facilities. By applying the draw of Boston town centre to the new housing (following 'adjustments' to acknowledge impact of the proposed foodstore and 'factoring in' the comparison goods trade draw of the existing Asda and Tesco foodstores in Boston), the town centre will capture around 70%, or £2.25m of the £3.22m, comparison goods expenditure that would be available from residents of the Q1 housing once development is complete.

- 3.56 In terms of impact on other centres and facilities, there will be an impact upon Spalding out-of-centre and Spalding town centre facilities but this will be small in scale and largely focussed upon the Sainsbury's foodstore in the town centre and the out-of-centre Morrisons foodstore.
- 3.57 It is considered that the scale of impact identified is within acceptable limits and would not significantly affect the health and vibrancy of either Boston or Spalding town centres.
- 3.58 Notwithstanding the above, the Council's 2013 Retail Study identifies a quantitative need for comparison goods floorspace growth within Boston. The Study comments that there will be a need for 3,276 sqm net in 2016, increasing to 4,666 sqm net in 2021.

#### Boston Comparison Goods Need

	<b>Existing floorspace (sqm net)</b>	<b>Turnover (£m)</b>	<b>Existing (£ per sqm)</b>	<b>Target (£ per sqm)</b>	<b>Required (sqm net)</b>	<b>Need (sqm net)</b>
2013	40,868	184.36	4,511	4,500	40,970	102
2016	40,868	212.67	5,204	4,818	44,144	3,276
2021	40,868	245.79	6,014	5,398	45,534	4,666

*Extract from Table 5, page 24 of the South East Lincolnshire Town Centre and Retail Study 2013*

- 3.59 These figures are based on sales densities of £4,818 sqm and £5,398 per sqm, respectively. However, converting the capacity to a monetary value identifies £15.77m in 2016, increasing to £25.19m by 2021. These figures well exceed the comparison goods turnover of the comparison goods foodstore which means, based

purely upon retail headroom, the comparison goods floorspace of the proposed foodstore can be comfortably accommodated.

## **Cumulative Impact**

3.60 The NPPF requires that consideration should be given to recent developments and retail commitments which cumulatively may have a significant adverse impact on nearby shopping centres. In terms of recent developments, the Council's Retail Study is based on a householder survey undertaken in 2013 and therefore presents an up to date picture of shopping patterns and trends which would account for any change in shopper movement brought about by recent developments. The impact assessment undertaken for the Q1 development proposal is based upon the Council's 2013 Household Survey. With regard to retail commitments, there are no outstanding planning permissions within the Boston area that need to be evaluated as part of the impact assessment. The Council's 2013 Retail Study confirms this point as no commitments are identified.

## **B. Commercial Leisure Floorspace**

### **Introduction**

3.61 The NPPF requires that an Impact Assessment is undertaken not only for applications for retail development outside of town centres, but also leisure and office developments, if their scale is such as to exceed the national policy threshold of 2,500 sqm gross, or exceed locally set floorspace thresholds. In the case of Boston Council's emerging LDF, there are as yet no locally set thresholds and so the national policy requirement is relevant.

3.62 The commercial leisure component of the application proposal comprises 2,200 sqm gross floorspace in six units to accommodate eating/drinking/takeaway facilities, along with a 60 bed hotel. Whilst separately the two leisure sub sectors fall short of the 2,500 sqm threshold, combined they nevertheless exceed this figure. It is considered that to ensure robustness and to provide the Council with a comprehensive picture of the likely effects of new development in this location (both

positive and negative), an impact assessment has been undertaken for the commercial leisure floorspace.

## **1. Commercial Leisure Impact**

3.63 It is important to note that the approach taken by consultants to assess impact of commercial leisure uses is less well developed than for retail activities (convenience and comparison goods floorspace). This is primarily attributable to the nature of the leisure market which comprises an extensive variety of activities, all of which are subject to different rates of growth. Changing consumer choices influenced by fashion, celebrity, health awareness, etc, can result in significant fluctuations in growth rates between different leisure sub-sectors. Furthermore, there is a wide range of hobbies, leisure and recreational pursuits available which are all competing to influence consumer decisions on discretionary spending. Therefore, due to the fragmented market, statistical data on individual leisure sub-sectors is sometimes limited. Nevertheless, the following exercise considers the impact of new development and will comprise four stages:

- i. identify the level of consumer expenditure on eating and drinking out, and on takeaway drinks/meals that is available within Boston and the surrounding area;
- ii. relate this expenditure to the use of eating/drinking/takeaway venues by households which has been revealed in the Council's Retail Study and specifically, the Household Survey;
- iii. identify the leisure turnover of existing town centres and facilities and compare this to the forecast turnover of proposed commercial leisure floorspace; and
- iv. assess the likely trade capture from existing facilities and the proportion of inflow that will occur as a result of the attraction/draw of the new stadium and associated conference and participatory sports facilities.

## **i. Consumer expenditure within the defined catchment area**

3.64 Experian Business Strategies have supplied per capita expenditure data on eating/drinking out and takeaway meals for the year 2011. These figures have then been rolled forward to the base year of 2013, using Experian's estimated 'leisure services' growth rates for the period 2011-2013 (taken from Experian Retail Planner Briefing Note 11 dated October 2013). Over this period, the Briefing Note records a decline in per capita spend of -0.9% in 2012 and -0.2% in 2013. However, over the following five-year period to the design year of 2018, a positive growth rate is forecast (+0.7% for 2014 and +1.4% per annum for the period 2015-2018). It is important to note that these growth rates are for 'leisure services' generally, which includes recreational and sporting services, cultural services, accommodation services, games of chance, as well as spend at restaurants/cafés/pubs/takeaways. As discussed above, different leisure sub-sectors have different rates of growth, and household spend on eating/drinking out and takeaways has always exhibited a greater annual growth rate than other leisure sub-sectors. However, to ensure robustness, the annual growth rate for 'leisure services' has been used in the Impact Assessment.

3.65 A further point to note is that the leisure sub-sector of 'restaurants, cafés, etc' also includes 'contract catering'. Whilst this only accounts for 7.8% of per capita expenditure, it has, nevertheless, been deducted from the total expenditure available. Therefore, the following per capita expenditure is available for the base year, design year and horizon year, within the catchment area defined:

- 2013 - £760
- 2018 - £812
- 2021 - £847

3.66 By multiplying the per capita figures above by the population within the catchment area the following consumer expenditure on eating/drinking out and takeaway foods is identified:

- 2013 - £53,235,720
- 2018 - £62,051,420
- 2021 - £67,658,360

Appendices 19 and 20 provide the detail of the calculations of consumer expenditure.

3.67 Over the 2013 and 2018 period, consumer expenditure on eating/drinking out is forecast to increase by 16.6% (£8,815,700), and then by a further 9.1% (£5,606,940) in the three years to 2021. However, not all of this expenditure will be spent locally, in Boston town centre. The town does not have exclusive access to this growing pool of expenditure and must compete with other sectors and facilities in this part of Lincolnshire.

## ii. **The flow of household expenditure on eating/drinking out**

3.68 To understand the strength of draw of Boston and nearby shopping centres and facilities in terms of consumer expenditure on eating/drinking out, the Household Survey undertaken as part of the Council's Retail Study has been used.

3.69 Although the Household Survey focussed on questions relating to convenience and comparison goods shopping patterns, a number of questions also related to leisure activities, including the question **"Which centre do you visit most often for social activities, such as pubs and restaurants?"**. It is the response to this question that has allowed the strength of draw of individual town and local centres to be 'mapped'.

3.70 However, it is important to stress that the exercise provides no more than a general picture of household movement/attraction to pub and restaurant facilities/venues as the wording of the question is not sufficiently sensitive to provide a precise picture of trade draw. For example, the question only asked for the name of the single, most frequently used centre, which means that other centres that are also used (but to a lesser extent) are not recognised. Furthermore, pubs and restaurants are given as the only example of 'social activities'. There are likely to be other examples of social activities, but it is noted that later questions covered many of the obvious alternatives (cinema visits, bowling and theatre). It is therefore considered that the household responses to this question provide a broadly accurate picture of the geographical extent of the catchment area (and market penetration) of individual shopping centres in terms of the leisure sub-sector of eating/drinking out. The pattern of trade draw that has been 'mapped' is presented in Appendix 21.

3.71 In terms of key points, the Household Survey reveals:

- Boston town centre is the key leisure draw, where more than a quarter of respondents stated that they travelled to the town centre to eat/drink out.
- Boston town centre draws strongly from sub-zones 1, 2 and 12, with a weaker draw from zones 3, 4, 10 and 11.
- Spalding also performs well – identified by more than 15% of respondents as the favoured venue for eating/drinking out.
- Whilst Spalding’s draw of 66% from its core area (zone 4) does not match the strength of draw of Boston from its core area (90% from zone 1), it does however have a more extensive draw, covering nine of the 12 sub zones.
- Other centres, such as Kirton, Crowland, Donington, Sleaford, Sutton Bridge and Coningsby have a much more localised draw, reflecting their size and limited leisure offer.
- The attraction of larger centres, such as Peterborough and Lincoln, is evident. Despite their distance from the Study Area, they have a draw from every sub-zone, with Lincoln’s strongest draw from zone 11 (10.6%), and Peterborough’s from zone 7 (40%).

3.72 The market share or trade draw data referred to above has been applied to the estimates of available consumer expenditure to give a monetary value to those expenditure flows. The aggregate of these flows (from different sub-zones) equates to the turnover of individual shopping centres in terms of eating/drinking out (see Appendix 22).

3.73 The catchment area of the proposed commercial leisure floorspace encompasses either all or part of sub-zones 1, 2, 3, 4 and 12. In terms of identifying expenditure flows within the 15-minute drive time, it is reasonable and appropriate to assume that those centres and facilities which draw trade from these five sub-zones will proportionately draw trade from the catchment area defined. The strength of

market penetration from each has therefore been weighted, having regard to population and the settlement distribution within the catchment. The trade draw figures arising from this exercise are presented in Appendix 23. These have then been applied to the estimates of available expenditure presented in Appendix 24, to give a monetary value to the expenditure flows.

### **iii. Forecast turnover of proposed commercial leisure floorspace**

- 3.74 The exercise above has identified the turnover of existing town centres in terms of eating and drinking out for the base year of 2013. Assuming constant market share, the turnover figures have been projected forward to the design year of 2018 and then on to the horizon year of 2021.
- 3.75 It is important to note that no acknowledgement of inflow expenditure has been made in this exercise. Inflow is expenditure on eating/drinking out that is made by visitors to Boston (and other towns nearby) who live outside of the Study Area used by the Council's Retail Assessment (made up of tourists – day and overnight visitors, those visiting friends, those employed in Boston, but who live outside of the area, business visitors and people passing through). The Council's retail consultants comment in paragraph 4.9 of the Retail Study that 'shopping tourism' inflow is of a small scale (£6m in 2007) and would be largely balanced by expenditure outflow. However, inflow expenditure on eating and drinking out is likely to be of a greater scale, largely due to the association between a) tourism, business networking, rest breaks on long journeys, and b) the purchase of meals/drinks outside of the home. However, to ensure robustness, inflow has not been credited to any town centre in the assessment.
- 3.76 The next stage of the exercise is to quantify the turnover of the proposed commercial leisure floorspace for the design year and horizon year. This has been done using data provided by Allegra Strategies in their 2013 report on the branded restaurant market (includes fast food, pub restaurants and casual dining restaurants). The application proposal comprises six commercial leisure units, and although it is not yet known who the end users will be, the mix is expected to be made up of two fast food restaurants, one managed pub, one café/restaurant and two full service/casual restaurants. Based on this mix, the forecast turnover of the

commercial leisure floorspace in 2018 would be £6,064,490. This figure allows for sales growth of 1.5% per annum. The calculations made to arrive at this figure are detailed in Appendix 25.

**iv. The draw of the commercial leisure floorspace and trading impact**

3.77 It is anticipated that around 70% of the turnover of the proposed commercial leisure floorspace would be captured from within 15-minutes' drive of the application site. The residual turnover (30%) will constitute inflow. The reasons why a higher inflow figure has been used for the commercial leisure floorspace (when compared to the proposed foodstore) are threefold – a) its close proximity to the new stadium and associated conference and leisure facilities, b) recognition that eating/drinking out facilities are very much support services to spectator sports and conference functions, and c) its close proximity to the proposed budget hotel which will only have a limited breakfast bar. Based simply upon the nature of the activities that will take place at the stadium, many of the visitors are likely to be from outside both the catchment defined for the proposed commercial leisure floorspace and the Study Area used for the Council's recently published Retail Study. For example, Boston United FC plays in the Conference North division of the football league which comprises teams from the North of England, the Midlands and Wales. Furthermore, the conference venue will be seeking to accommodate regional and national events. In terms of the hotel, those staying overnight are very unlikely to be 'local'. Therefore, the spend of hotel guests will be derived from outside of the catchment area (and the Council's Retail Study Area). An inflow of 30% of total turnover is considered robust.

3.78 Based upon the pattern of draw referred to above, the proposed commercial leisure floorspace will achieve a market penetration rate of around 6.8% from the catchment area defined:

### 2018 Eating/drinking out market penetration

<b>Drive time</b>	<b>Expenditure (£)</b>	<b>Percentage Trade (%)</b>	<b>Turnover (£)</b>	<b>Market Penetration (%)</b>
0-15 minutes	62,051,420	70	4,245,140	6.8
Inflow	-	30	1,819,350	-
<b>Total</b>	<b>-</b>	<b>100</b>	<b>6,064,490</b>	<b>-</b>

3.79 The market penetration figure provides a basic platform on which the impact of the proposed development can be assessed. However, it is unrealistic to assume that development would result in a uniform impact across the whole of the catchment area. The scale of impact is identified as being influenced by a variety of factors, not least, location, ease of access and similarity of leisure offer of towns which draw trade from the defined catchment area. Impact will largely fall on towns such as Boston and Spalding, each of which have an extensive range and number of eating/drinking out facilities.

3.80 The following table provides a summary of the level of impact of the proposed commercial leisure floorspace. The detailed impact schedule is found in Appendix 26.

### 2018 Restaurants/cafés/pubs/takeaways trade capture

	<b>Turnover (£m)</b>	<b>Trade Loss (£m)</b>	<b>Impact (%)</b>
Boston	56.531	3.377	5.9
Donington	1.19	0.027	2.2
Kirton	2.914	0.126	4.3
Sleaford	5.609	0.029	0.5
Spalding	39.896	0.286	0.7
Stamford	9.348	0.012	0.1
Other	-	0.388	-
<b>Total</b>	<b>-</b>	<b>4.245</b>	<b>-</b>

3.81 It can be seen that the biggest impact will be on Boston town centre (-£3.377m). However, in terms of total turnover, this equates to no more than 5.9%, which does not constitute a significant level of trade loss and therefore does not raise any concerns over town centre health and vitality. It is considered that there will always be a strong market for restaurants/cafés/pubs/takeaways in Boston town centre, primarily because the existing nature, scale and level of choice of facilities in such a central location, provides a 'critical mass' which is able to maintain a momentum of

year-on-year growth. Furthermore, this critical mass has developed over the years as a result of the presence of other key town centre components, such as its retail offer (including the popular market), its cultural and leisure facilities such as cinema, theatre/arts centre and bingo hall, the town centre's office market, the presence of Boston College and its administrative and civic function. Each of these complementary uses has created its own specific demand for eating/drinking out facilities, and the emergence of the desire to live back in the town centre strengthens this demand.

- 3.82 Evidence of the strength of the town centre's eating/drinking out draw is clearly shown in the Household Survey which reveals the popularity of the town centre. The Council's Retail Study also comments on this in paragraph 10.3 which states that: **"...the town centre has a good range of bars and restaurants to cater for the evening economy"**.
- 3.83 It is considered that the trade loss that is forecast for Boston town centre does not constitute 'significant' impact and would not lead to the closure of existing premises.
- 3.84 The eating/drinking out/takeaway market in Boston town centre is very popular as evidenced by the Household Survey. The centre's strong draw has created a level of expenditure capture which compares very favourably with typical benchmark turnover levels of eating/drinking out facilities. Appendix 22 reveals the 2018 forecast turnover derived from the household survey for eating/drinking/takeaway facilities in Boston town centre which can be compared with the typical benchmark turnover of the same presented in Appendix 25. It is important to stress that this provides no more than a very general picture of trading performance as there are wide variations in turnover between different facilities influenced by a variety of factors, such as location, nature and quality of facilities provided, the market that is targeted and management. However, the exercise is nevertheless useful in providing some indication of market activity. Boston town centre's 2018 forecast turnover for eating/drinking out and takeaways is £56.531m. By comparison, the benchmark turnover of Boston town centre for the same is £47.554m, a difference of £8.977m or 18.8%. As discussed earlier, Boston town centre performs a range of different roles and each has its own specific demand for eating/drinking out facilities which has contributed towards the strong turnover of the town. Allowing for impact to be

assimilated, would still see Boston town centre perform above its benchmark level (+11.8%).

- 3.85 It is important to note that around £0.94m of expenditure on restaurants/cafés/bars/takeaways will be generated by residents of the proposed housing. Whilst some of this spend is likely to be captured by the application proposal, Boston town centre will nevertheless be a popular draw. The Council's household survey (undertaken as part of the South East Lincolnshire Town Centre and Retail Study) reveals that from zone 1 (which covers the Boston area), the town centre has a draw of 90% in terms of eating/drinking out. It is therefore entirely realistic to expect that due to the diversity of the town centre's cultural and leisure offer, a large proportion of the expenditure of residents of the new housing will be captured by facilities and services in the centre. This will 'cushion' the impact of the new commercial leisure floorspace, although the scale of impact that is forecast is of a small scale.
- 3.86 Impact on other town centres is of a small scale and would not threaten their vitality and viability (Spalding -0.7%, Sleaford -0.5% and Donington -2.2%).
- 3.87 Due to its close proximity to the proposed development, impact on Kirton would be 4.5%. However, this again is small in scale. Furthermore, this figure is very much a 'worst case' scenario as the leisure turnover of the town, revealed through the Household Survey, is likely to be an underestimate. As commented earlier in the context of assessing convenience goods impact on local shops and facilities, it is not uncommon for household surveys to underestimate the performance of smaller facilities and centres because respondents will usually provide a response based on larger and more high profile centres and facilities. A greater turnover would see a reduced scale of impact on Kirton. However, even if the survey results present an accurate turnover picture for this small centre, the scale of impact is within acceptable limits and would not affect the town to the extent that its health and vitality would be undermined.
- 3.88 It is concluded that the proposed commercial leisure floorspace would not result in a 'significant' adverse impact on Boston town centre or any nearby shopping centre.

## 2. Hotel

- 3.89 The proposed hotel will be an integral part of the 'enabling development' and represents a support service to the new stadium and associated conference, leisure and community facilities. Lincolnshire Tourism in their Strategy Plan for Development of the Serviced Visitor Accommodation in Lincolnshire (2009) refers to 'pent up' demand for visitor accommodation in Boston. The report identifies the town as a location where there would be good demand for a budget hotel and "**... where the presence of one would add an important resource**". The application proposal entirely accords with this requirement. The hotel would be a 60-bed budget hotel which would be able to perform a dual function – catering for visitors to the community stadium (and associated facilities) and going some way towards addressing the wider 'pent up' demand for accommodation in Boston.
- 3.90 The hotel is likely to have only a limited breakfast bar and therefore, as is typical of many budget hotels, guests will use one of the proposed restaurants/pubs/cafés/takeaways which will adjoin the hotel for breakfast/lunch/dinner. A proportion of the turnover of these eating/ drinking out facilities will therefore be drawn from those staying at the hotel. This spend contributes to the 'inflow' identified in the preceding Impact Assessment for the commercial leisure floorspace.
- 3.91 To understand what this equates to in monetary terms, it is necessary to identify the likely occupancy rates of the proposed hotel<sup>2</sup>, the average length of stay<sup>3</sup> and the average spend on eating and drinking per trip<sup>4</sup>.
- 3.92 It is forecast that hotel residents will contribute at least £393,100 expenditure on eating and drinking out to the local economy. This could potentially be captured by the proposed eating/drinking out facilities (representing 6.5% of the total turnover of the commercial leisure floorspace), although it is likely a proportion will be drawn to Boston town centre. This has been calculated by applying the average bed space occupancy (54%) to the total number of bed spaces proposed (120) to determine the total number of occupied nights (23,650). This is then divided by average night's

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<sup>2</sup> Visit England: England Occupancy Survey (December 2013)

<sup>3</sup> GB Tourism Survey (November 2013)

<sup>4</sup> GB Tourist Statistics (2013)

stay per visit (3.05) and then multiplied by the spend on eating and drinking per person, per trip (£47.06 at 2013, increasing to £50.69 at 2018, assuming 1.5% growth per annum).

- 3.93 In terms of the wider expenditure generated by visitors to the hotel, the annual spend on shopping and entertainment per person, per trip (£51.26 at 2013, increasing to £55.22 at 2018) would generate £428,200. Having regard to the close proximity of Boston to the development proposal, this is likely to benefit the town centre.
- 3.94 The proposed hotel will meet a recognised need for additional accommodation to serve the Boston area and will cater for visitors who will be attracted to the new community stadium and its associated conference and leisure facilities. The proposed hotel will enhance the attractiveness of Boston and generate expenditure from visitors that will benefit the town centre.

## **SECTION 4: ECONOMIC BENEFITS**

- 4.1 Following publication of the Localism Act, and in association of the release of the NPPF, the economic benefits of planning applications are a material consideration. The definition of sustainable development in the NPPF emphasises the economic dimension to sustainability and therefore it is important to identify the economic benefits that would arise through the development of the Q1 site.
- 4.2 The Q1 scheme is identified as one of the 11 'Strategic Priorities' of the Greater Lincolnshire Local Enterprise Partnership's (LEP's) Strategic Economic Plan, which was published at the end of March 2014. The 11 Strategic Priorities have been identified on the basis that they are (i) deliverable, (ii) meet the priorities of the Local Growth Fund (which relate to the leveraging of other funding, supporting economic growth and representing good value for money), and (iii) will have a strong economic impact locally.

### **Community Stadium**

- 4.3 The key benefit that would result from the granting of planning permission for the proposed foodstore and commercial leisure floorspace would be the realisation of sufficient funding to secure the construction of the community stadium. These uses constitute 'enabling' development and are necessary to bridge the funding gap that exists between implementation and the aggregate of potential funding from other sources. Without the additional value created by the 'enabling' development, the community stadium cannot be built.
- 4.4 The construction of the community stadium will benefit the local community in terms of training, education and community participation. The new facility will be able to accommodate and enhance the Boston United Football Club's growing suite of community programmes and related activities which have been very successful in addressing social inclusion.

- 4.5 The new stadium and associated community, educational and conference facilities would create a visitor draw which would extend beyond the immediate area. The expenditure that visitors will bring with them will directly benefit local businesses and services in Boston.

### **Employment**

- 4.6 The proposed development will create a significant number of new jobs in the area, many of which will be recruited locally. The proposed foodstore and commercial leisure floorspace will create around 460 FTE jobs (280 for the foodstore, 25 for the hotel and 155 for the commercial leisure floorspace which will comprise six restaurants/café/pub/takeaways). The total number of jobs will, however, be greater than this. Based upon the full time/part time employment split that is typical of work in the retail and service sectors, the total number of jobs (full and part time) would be 660.
- 4.7 The nature of employment created will provide a variety of job opportunities from direct sales, services and catering through to administration, warehousing, security and management. These employment choices would appeal to a wide selection of the community. Whilst it is recognised that there will be a significant proportion of part time employment, it is important to note that the retail and service sector is an easier route to employment for many people who could be discriminated against in other business sectors. For example, 65% of all retail and service sector employees are female who benefit from flexible working conditions.
- 4.8 In addition to employment generated by the 'enabling' development, 35 new jobs will be created following the construction of the new stadium (and associated community facilities) with a further 75 jobs safeguarded (transferred from the existing York Street stadium site).
- 4.9 Whilst unemployment within the town is a little lower than the East Midlands and GB averages, unemployment amongst the 18-24 age range is, however, greater. Furthermore, the 2010 Indices of Multiple Deprivation reveals that parts of Boston are within the 20% most deprived in England in terms of employment. The town

also performs poorly regarding education, skills and training. The nature and scale of direct on-site employment opportunities that would be generated by the Q1 scheme will therefore represent a significant economic benefit to the Boston area.

- 4.10 The proposed development would generate substantial construction employment which will benefit local construction companies. However the scale of the development proposal and the specialism of construction techniques required for part of the scheme will also see non-local firms used.
- 4.11 Although the construction period would not be long term (the construction of the stadium, new housing, foodstore, hotel and commercial leisure floorspace would take place over a seven year programme), it will nevertheless provide local opportunities, and in conjunction with the local authority, will enable the establishment of training initiatives in the construction industry.
- 4.12 Around 610 person years of construction activity would take place on the site, with annual full-time construction jobs of 46 in year one, increasing to 204 in year three, and then falling back to 35 in year seven.

### **Investment**

- 4.13 The application proposal is a major private sector development of £55m, which represents substantial investment in the local economy.
- 4.14 The Gross Value Added created by the direct employment generated by the proposed development on the Q1 scheme would be £15.075m<sup>5</sup>. In terms of the construction process, research reveals that every £1 spent on construction output generates £2.84 in total economic activity<sup>6</sup>. Therefore, the £55m construction costs would realise a wider total output value of £156.2m.

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<sup>5</sup> ONS Regional Gross Value Added. Calculated by relating GVA 2012 output to 2012 employment, rather than resident population.

<sup>6</sup> Construction Industry Council 'Building the Future Economy' (2010) and the UK Construction Group 'Making the Economic Case for Construction' (2011)

## **Conclusion**

- 4.15 The proposed foodstore, hotel and commercial leisure floorspace represent 'enabling' development and with the proposed housing, are key to ensuring that sufficient funding is made available to secure the construction of the community stadium. The development will realise a number of economic benefits for Boston that are of a significant scale and for this reason, the scheme is identified as one of the 'Strategic Priorities' of the Greater Lincolnshire LEP 'Strategic Economic Plan'.

## **SECTION 5: CONCLUSION**

- 5.1 The application proposal provides for the construction of a community stadium, together with enabling development which comprises 500 dwellings, a foodstore, hotel and commercial leisure floorspace, accommodating eating and drinking out/takeaway facilities in six units. Although the foodstore, hotel and commercial leisure floorspace are 'main town centre uses' they are, nevertheless, key to the success of the scheme as without them sufficient funding (through land and property sales) cannot be realised and the stadium will not be built.
- 5.2 A new community stadium for Boston is needed as the lease on their existing York Street stadium will expire in 2018. The application site is in a sustainable location which benefits from good levels of accessibility by all modes of transport. The relocation of Boston United FC to the Q1 site will also enable the club to accommodate and enhance its growing suite of community programmes and related activities which have been very successful in addressing social inclusion.
- 5.3 There are no sequentially preferable sites within Boston that are available, suitable and viable for the proposed development, in terms of being able to accommodate the community stadium along with the enabling development that is required to ensure successful implementation. Whilst there may be a number of premises in Boston town centre which cumulatively could accommodate the commercial leisure floorspace proposed in the Q1 scheme, such a course of action would undermine the viability of the development package, the principal purpose of which is to secure the construction of the community stadium.
- 5.4 The proposed development will not have an adverse impact on existing, committed or planned public and private investment in Bolton town centre or nearby shopping centres.
- 5.5 It is considered that the impact of the proposed foodstore upon nearby shopping centres and facilities will be within acceptable limits. The proposed foodstore is aimed primarily at catering for the weekly or less frequent main food shop and will compete with existing foodstores fulfilling the same function. Therefore, the facilities which would experience the greatest impact would be 'like for like' foodstores, such

as the Tesco and Asda in Boston and the Morrisons in Spalding – all of which are located 'out-of-centre' and all are overtrading. The impact that is forecast from new development is not of a scale which would lead to the closure of any facility, particularly as the levels of overtrading identified will 'cushion' the impact.

- 5.6 Whilst there is likely to be an impact on Boston town centre, this would not be of a significant scale. The town centre's convenience outlets primarily perform a top-up food shopping role which is not the target market for the proposed foodstore development. The health and vibrancy of Boston town centre is therefore not reliant on main food shopping. The Council's 2013 Town Centre and Retail Capacity Study identifies 'a good retail offer' and a 'popular market' as two of the key strengths of Boston town centre. Boston's strength of draw, the nature of its retail offer and importantly, the broader role the town centre performs in terms of its civic, educational and administrative function and its cultural and retail facilities will safeguard the vitality and viability of the town centre from 'significant' adverse impact arising from the proposed Q1 development.
- 5.7 Furthermore, the proposed commercial leisure floorspace would not result in a significant adverse impact on Boston town centre or any nearby shopping centre. Boston town centre has a strong market for restaurants/cafés/pubs/takeaways which has developed over the years as a result of the presence of other key town centre activities and services, such as its retail offer (including the popular market) its cultural and leisure facilities, the town centre's office market, the presence of Boston College and its administrative and civic functions. Each of these complementary uses has created its own special demand for eating/drinking/takeaway facilities, which is unlikely to diminish.
- 5.8 The proposed hotel will meet a recognised need for additional serviced accommodation to serve the Boston area and will cater for visitors attracted to the new community stadium and its associated conference and leisure facilities. The hotel (and new community stadium) will enhance the attractiveness of Boston as a visitor destination, and those staying at the hotel (who will not be local to Boston) will introduce additional spend into the area as part of their visit. A beneficiary of that spend will be Boston the town centre.

5.9 The proposed development will result in significant economic and physical regeneration in terms of private sector investment, job creation, infrastructure improvements, the creation of what is likely to become a major visitor attraction and the consequent multiplier effects on the local economy. These are key considerations, having regard to the levels of overall multiple deprivation in Boston, which have worsened relative to other local authorities in England since 2007.



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