

Nick Parker  
Planning Department  
Winchester City Council  
City Offices  
Colebrook Street  
Winchester  
Hampshire  
SO23 9LJ

**bwag**  
BISHOPS WALTHAM  
ACTION GROUP

Merchants House  
High Street  
Bishops Waltham  
Hampshire  
SO32 1AA

November 4<sup>th</sup> 2010

**Proposed Sainsbury's Superstore at Abbey Mill, Station Rd, Bishops Waltham.  
Application ref: 10/01650/FUL**

Dear Mr Parker,

**Nathaniel Lichfield Partners (NLP) 'Review of Planning and Retail Statement',  
September 2010**

We have read the above report with interest and wish to bring the following thoughts to your attention. In order that these thoughts should be properly contextualised, we would suggest that they are read in conjunction with the comments submitted by John Hayter and by GR Planning. Copies of these submissions are attached.

We understand that the NLP report was commissioned by Winchester City Council as an independent review of the potential economic impact that the Sainsbury's proposals for a gross 7,158 sq m superstore may be expected to have on the existing Bishops Waltham town centre retailers.

First, we have to state that in the light of the conclusions drawn by NLP in their 2007 report 'Winchester Council Retail and Town centres Uses Study', and the reporting of serious flaws, both in calculation and omission, apparent in Sainsbury's (WYG) own Economic Development Statement, the methodologies, assumptions and consequent conclusions that NLP finally submit are unusual to say the least.

### **The basis for calculations**

As far as their assumptions are concerned, there are a number that seem to be sometimes contradictory, sometimes baseless and sometimes gratuitous. For example, to say, as they do, that a forecast of future trading should be based on company averages seems to be a logical starting point for all calculation of trade drawn to the proposed Sainsbury's store and the subsequent economic impact it will have on its immediate competitive environment.

That NLP then go on to perform extraordinary and convoluted calculations of potential trade instead of using Sainsbury's own published sales per sq ft data, that is so easily available from the SSL company report, is beyond comprehension. Had NLP done so then they would have discovered that even on a 2008 base trading year, their final tortuous estimation of sales was 17% underestimated. Apply the SSL published annual uplift in sales of 5% and the underestimation of sales in 2013, the anticipated year of opening, is even more striking. One can understand the enthusiasm for Sainsbury's' consultants, WYG, to underestimate sales in this way so as to diminish their projected impact but not for an independent consultant to do so too.

The effect of this underestimation then ripples through almost every other calculation that NLP has undertaken and upon which they have based their conclusions of economic

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impact. This is a methodological failure of the simplest kind, for to believe that Sainsbury's will expect that any new investment will trade at below their own benchmark is to diminish the success that SSL has enjoyed for many years.

### **Profit NOT turnover**

It also seems extraordinary that a retail consultant of NLP's longstanding should concentrate solely on turnover, failing to consider the effect on Net Profit of those small independent retailers that are most likely to be the principal casualties of a huge national retailers' entrance to their small market. The Sales to Net Profit Multiplier is well known and should be applied when considering the survival of small businesses in times of reducing revenue. Thus it may be seen that the following effects may reasonably be predicted, particularly in Bishops Waltham given the high fixed costs associated with its commercial properties.

Turnover down 5% - Net profit down 16%  
Turnover down 7.5% - Net profit down 23%  
Turnover down 10% - Net profit down 31%  
Turnover down 12.5% - Net profit down 39%

It is hard to imagine any of independent traders of either convenience or comparison goods business in BW being able to survive this kind of reduction in taxable profit. The three or four businesses that NLP so nonchalantly describe as most likely to be forced into liquidation are certain to be joined by many more. Indeed our own calculations indicate that as many as ten High Street retailers will be at serious risk of liquidation with the immediate loss of up to eighty jobs in Bishops Waltham alone. The number of jobs in jeopardy is of course much increased when those companies that form the local supply chain are also considered.

### **Comparison goods**

Sainsbury's Economic Development Statement strategically omits to mention comparison goods at all beyond a passing reference to 30% of the proposed floorspace being devoted to their sale. They have realised that any attempt at mitigation of the impact on the comparison goods retailers of Bishops Waltham town centre through claims of linked trips to the High Street would be impossible to defend. Nonetheless, NLP attempt to do this for them and predictably make a nonsense of it.

The claim of comparability with Shepton Mallet's experience of Tesco is simply wrong, as wrong as Sainsbury's original claim of Bishops Waltham's comparability with their store in Cranleigh – the Shepton Mallet Tesco is an 'edge-of-centre' development as opposed to the 'out-of-centre' Sainsbury's proposal for Bishops Waltham; the population of Shepton Mallet is significantly larger than Bishops Waltham; Shepton Mallet has many other national retailers present on their High street, Bishops Waltham has just three (two of which are pharmacies); Shepton Mallet has 134 retailers, Bishops Waltham has 60.

Notwithstanding these major differences in profile, the simplest of research would have shown that there are now a significant number of independent retailers in Shepton Mallet who have been forced to close since the Southampton University report was published and so provides evidence of exactly the opposite of NLP's suggestions for successful integration of a superstore to the local retail mix. It should be noted also that Tesco have just published plans to expand their store by a further 10,000 square feet and so finish the job of complete dominance of the convenience and comparison goods markets in Shepton Mallet. Already, as the BBC states in the first episode of its recently aired

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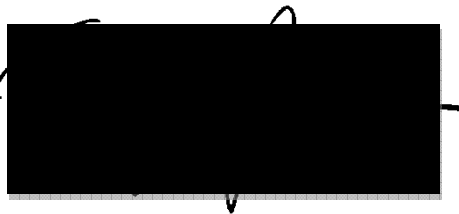
programme 'Turn back time – the High Street' is filmed in Shepton Mallet : "the high street has been decimated. Dozens of shops lie empty, their windows whitewashed."<sup>1</sup>

In spite of this, NLP continue in their calculations so that, after conflating two entirely disassociated pieces of data, they consider it reasonable to arrive at the figure of 166,500 linked trips annually to Bishops Waltham town centre for comparison goods purchase of an entirely arbitrary £10 each. If one divides this number of linked trips by the 310 days that the shops of Bishops Waltham town centre are open each year, then NLP believe that 537 people EACH AND EVERY DAY will choose to walk the significant distance, crossing a busy main road, from a Sainsbury superstore designed for one-stop shopping, to buy ten pounds worth of comparison goods or 67 linked trips each hour of every day from 9am to 5pm. Incidentally, were even half of this number to make the journey to the town and back, the assessment of car parking need made by Sainsbury's consultants and the spaces provided would be entirely inadequate.

It seems that, in their attempt to produce an anodyne assessment of the potentially disastrous impact that the introduction of any oversized superstore to the fragile Bishops Waltham economy would have, NLP have unwittingly exposed the shortcomings and obfuscations employed by Sainsbury's themselves as they have attempted to diminish their impact on the very heart not just of Bishops Waltham's local economy but its continued existence as the mediaeval market town that the WCC is so rightly proud to advertise.

We urge you to consider the NLP's independent assessment as well as the original Sainsbury's' economic impact assessment data in the light of these thoughts.

Yours sincerely



Tony Kippenberger  
Chair, on behalf of Bishops Waltham Action Group (BWAG)  
[www.bwactiongroup.org.uk](http://www.bwactiongroup.org.uk)

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<sup>1</sup> [http://www.bbc.co.uk/blogs/daveharvey/2010/11/can\\_somerset\\_really\\_turn\\_back.html](http://www.bbc.co.uk/blogs/daveharvey/2010/11/can_somerset_really_turn_back.html)

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