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GL Hearn
Property Consultants

St Vincent House
241 St Vincent Street
Glasgow G2 5QY

T: [REDACTED]
F: [REDACTED]
E: [REDACTED]
www.glhearn.com

Mr Michael Hoar
Highland Council
Kingshouse
The Green
Portree
Isle of Skye
IV51 9BT

By Fax and Post

GL HEARN 

Dear Mr Hoar,

Oatridge Ltd - Proposed Supermarket, Dunvegan Road, Portree - Application Ref: 07/0037OUTSL

We refer to the above planning application and hereby submit the following objection on behalf of our client, the Co-operative Group.

The key points of our objection can be summarised as follows:

- The application fails to comply with the policies and criteria relating to out of centre retail proposals contained within the approved Structure Plan, adopted Local Plan and National Policy contained in SPP8.
- The submitted retail assessment provides an inaccurate assessment of the likely impact of the proposed store on Portree town centre.
- The proposal will have a detrimental impact on the vitality and viability of Portree town centre and will result in the closure of existing shops in the Skye catchment area.
- The proposed development has the potential to undermine the Council's proposals for Skye as expressed in the draft Skye and Lochalsh Local Plan and could potentially impact upon the Council's ability to follow a plan led approach to retail development in Skye.

The detailed findings of our representation are attached as an appendix to this letter and comprise two constituent parts. The first part of our representation provides an assessment of the proposal against the relevant planning policies while the second part provides a critique of the submitted retail impact assessment, highlighting the flaws of the submitted assessment and demonstrating the true impact that the proposal will have on existing retailers in Skye.

We have also undertaken our own analysis of the likely retail impact of the proposed store and the findings of our investigations are attached for your information.

The attached assessment demonstrates that the application proposal is contrary to the provisions of the approved Structure Plan, the adopted Local Plan, the emerging Local Plan and national planning policy.

The scale of the proposed development is such that it is likely to have an adverse impact on the vitality and viability of the existing shopping facilities in Portree, Broadford, Kyle and the other existing rural stores dispersed throughout Skye.



It has been demonstrated that the submitted retail assessment is flawed and hides the true impact of the proposed store. Therefore, little weight can be attributed to the applicant's commentary on the trade draw and the anticipated impacts of the proposed development.

We trust that the above points will be given due consideration by the Council and I would be grateful for written confirmation of receipt of this letter. It would also be appreciated if we could be kept informed as to how matters progress.

Yours sincerely

Graeme Laing
Associate Planning Director



PART ONE - PLANNING POLICY ASSESSMENT

The following section of the representation provides an assessment of the proposal against the relevant planning policies and also considers the planning statement and retail impact assessment submitted by the applicant.

It should be noted that a further representation has been prepared on behalf of the Co-operative Group by Steer Davies Gleave which provides a specific response and matters relating to transportation and access.

Planning Policy

The development plan relevant to the appraisal site comprises the following documents:

- Highland Council Structure Plan (Approved March 2001)
- Skye and Lochalsh Local Plan (Adopted March 1999)

It should be noted that Highland Council have commenced with the review of the Skye and Lochalsh Local Plan and a committee draft plan was approved in March 2007. Although the draft plan is a material consideration for development management purposes it has not been the subject of a public consultation exercise and so the weight attributed to its policies must be limited. Furthermore, as it is the Council's intention to prepare a conjoined Skye and Lochaber Local Plan, a draft of which is anticipated in November 2007, there is no reason to assume that these draft policies will remain in the form presently approved.

Highland Structure Plan

In terms of retailing, Policy R1 of the Structure Plan establishes that development proposals which consolidate the shopping hierarchy and enhance the role of individual settlements as shopping centres will be supported.

Policy R5 'Town Centre Shopping' sets out that that retail development in town centres will generally be encouraged and that development proposals which undermine the vitality and viability of existing town centres will be resisted.

Skye and Lochalsh Local Plan 1999

Despite its age, the Skye and Lochalsh Local Plan remains the adopted Local Plan and the proposals map of the identifies the application site as lying within an area allocated for business and industrial use.

Chapter 1 of the Local Plan sets out the strategy for the Local Plan and at paragraph 1.6.6 it advises that the Council will support the provision of additional retailing facilities in Portree, Kyle of Lochalsh and Broadford. Accordingly, our client has since invested heavily in new store development in the three towns, in accordance with the local plan policy to support local communities

The Local Plan advises that the viability of rural services is continually under threat and that local shops face competition from larger stores and from centres such as Inverness.

The Local Plan establishes that Portree is the main shopping centre for Skye and Lochalsh while Kyle and Broadford cater for more local catchments. The Local Plan states that leakage outwith Skye is low and there is potential scope for the provision of additional convenience floorspace in Portree.

Chapter 2 of the adopted Local Plan sets out the plan's General Policies and in terms of retailing, Policy 2.216 establishes that there will be a presumption in favour of retail development where these are located within or next to village centres, are compatible with future land uses, transport requirements, visual amenity and can achieve satisfactory on site parking and servicing.

Chapter 9 of the Local Plan gives specific consideration to Portree and advises that there is a deficiency in terms of supermarket provision (since this time, the new Co-op store at Dunvegan Road has opened).

The Local Plan advises that commercial and environmental re-vitalisation of the village centre is essential to maintain its viability, particularly in the face of a larger out of centre supermarket proposal (Co-op, Dunvegan Road) and that there is strong local support for expansion of the central shopping area.

The Local Plan establishes that main planning considerations for Portree are:

- To identify opportunities for retail and tourist related development, particularly in the village centre
- To consider measures for enhancing the role of the village centre as a shopping area and tourist attraction
- To outline the potential for redevelopment at Bayfield and expansion of the industrial estate

Policy 9.2.14 establishes that the Council will encourage consolidation, enhancement and expansion of the village centre to maintain its commercial viability and vitality. This includes resisting further proposals for retailing away from the centre where these could damage its viability and jeopardise investment.

Material Considerations

Skye and Lochalsh Local Plan – Approved Committee Draft March 2007

At its meeting of 19th March 2007, the Skye and Lochalsh Area Committee approved the Draft Skye and Lochalsh Local Plan for development management purposes. The draft plan has not been the subject of a consultation exercise and will instead be incorporated into a conjoined Local Plan with Lochaber which is due for publication in November 2007.

The application site is identified on the proposals map as lying within an area allocated for Business (B2) and Industry (I2).

The draft Plan gives specific consideration to Portree and advises that it is the island capital and the principal commercial, community facility and employment centre on Skye.

The draft plan advises that allocating industrial land and mixed use expansion opportunities at Bayfield and the Harbour will assist economic expansion. In order to reflect this, the draft local plan allocates a number of sites in close proximity to the village centre with allocation MU3 and MU4 (Bayfield and Upper Bayfield) proposed for mixed use development and the draft plan indicates that retail development would be an acceptable use at this location.

Clearly, there is significant pressure for new food retail development in Skye, particularly in Portree. This pressure for new retail development is currently manifesting itself in the form of planning applications at a time when Highland Council are preparing a new Skye & Lochalsh Local Plan, the draft of which was approved by committee in March 2007.

SPP8 – Town Centres and Retailing

Published in August 2006, SPP8 sets out the Government's policy for town centres and retailing. At the outset, SPP8 establishes the Executive's support for town centres, through focusing appropriate growth and development in them.

SPP8 establishes the following key policy objectives for town centres:

- Promote distinct, competitive places and encourage regeneration in order to create town centres that are attractive to investors and suited to the new generation of new employment opportunities.
- Create a climate that enables all sectors of the community to have access to a wide choice of shopping, leisure and other services and for gaps and deficiencies in provision to be remedied.
- Improve the physical quality and sustainability of our town centre environments.
- Support development in existing accessible locations or in locations where accessibility can be improved.

Paragraph 9 of SPP8 establishes that to deliver the above key policy objectives, stakeholders should focus on the policy principles listed in Box 2. Box 2 identifies, that development should be focused in existing town centres by using a sequential approach to development.

Paragraph 15 considers 'Focusing Development in Town Centres' setting out that developers should adopt a sequential approach to selecting sites for all retail and commercial uses. The sequential approach requires that locations are considered in the following order:

1. Town centre sites;
2. Edge of town centre sites;
3. Other commercial centres identified within the development plan;
4. Out-of-centre sites in locations that are, or can be made, easily accessible by a choice of modes of transport.

SPP8 establishes that application of the sequential approach requires flexibility and realism from planning authorities, developers, owners and occupiers to ensure that different types of retailing, which serve different purposes, are developed in the most appropriate location. It also sets out that developers should, when, identifying and developing sites, have regard not only to their own requirements but be sympathetic to the town setting in terms of format, design and scale. This should include the scope for accommodating the proposed development in a different built form, for adjusting or sub-dividing large proposals in order that their scale might better fit with existing development, and for making use of existing vacant and under used land or premises.

SPP8 gives specific consideration to out of centre locations and establishes that these should only be considered if it can be demonstrated that all town centre, edge of town centre and other commercial centre options have been thoroughly assessed and discounted as unsuitable or unavailable; that development on the scale proposed is inappropriate; and that there will be no adverse effect on the vitality and viability of existing centres.

Where development proposals in out of centre locations fall outwith the development plan framework, it is for applicants to demonstrate that more central options have been thoroughly assessed and that the impact on existing centres is acceptable. The development should also be subject to assessment against policy set out in SPP17, Planning for Transport.


In terms of assessing proposed developments, paragraph 38 advises that all planning applications should be rigorously assessed against the development plan and the policy set out in SPP8. Where the proposed development is not consistent with the development plan, the assessment should ensure that all of the following considerations are met:

- A sequential approach to site selection has been used.
- There is no unacceptable individual or cumulative impact on the vitality and viability of the network of centres identified in the development plan.
- The proposal will help to meet qualitative and quantitative deficiencies identified in the development plan;
- The proposal does not conflict with other significant objectives of the development plan or community planning strategies.

Planning Policy Assessment

The submitted application seeks permission to develop a 2,885m² (gross) foodstore in an out of centre location which will promote unsustainable shopping patterns and will not support the town centre.

While it is understood that there is a limited shortfall in convenience floorspace within Portree this does not provide justification for the development of a large out of centre foodstore. The Council have commenced with the preparation of a new Local Plan for Skye and the requirement for additional retail floorspace is being addressed through this process.

The application currently before the Council, together with other retailer interest in Portree, have the potential to undermine the Council's proposals for Skye as expressed in the draft Skye and Lochalsh Local Plan and could potentially impact upon the Council's ability to follow a plan led approach to retail development in Skye. 

On this basis we would urge Highland Council to resist the application currently before them on the basis of prematurity and to investigate and address any need for new retail floorspace through the emerging Local Plan, a strategy which would comply with national planning policy contained in SPP1 and SPP8 and would offer developers and existing retailers greater certainty with regard to the future of retail development in Skye.

It has been demonstrated that the proposed supermarket will impact negatively upon the vitality and viability of Portree town centre and will foster unsustainable shopping patterns. This is furthered by the fact that the proposed store will have its own dedicated car park which will be free and open to the general public. This will further increase the attractiveness of the proposed store and will help to draw trade from the town centre.

The impact of the proposed store will also be exacerbated due to the fact that the catchment area of the proposed store is predominantly rural and has limited convenience shopping provision. Therefore, the proposed supermarket would draw a significant amount of trade away from Portree town centre.

This runs contrary to national planning policy in SPP8 which establishes that proposals should not have an unacceptable impact on the vitality and viability of the town centre and should not conflict with other significant objectives of the development plan or community planning strategies.

PART TWO: OATRIDGE LTD, ASSESSMENT OF SUBMITTED RETAIL IMPACT ASSESSMENT

The following section of our representation provides an assessment of the Retail Impact Assessment (RIA) and Planning Statement submitted by Oatridge Ltd. Our assessment has demonstrated that the submitted RIA is flawed and consequently we have undertaken our own assessment of the likely impact that the proposed store will have on existing retail floorspace in Skye.

Turnover of Proposed Store

Having reviewed the submitted RIA we consider that it fundamentally under estimates the turnover of the proposed store and the impact it will have upon existing retailers.

Table 1.1 of the submitted RIA establishes that the proposed store will have a total turnover of £16.0m, with the convenience floorspace accounting for £15.0m and the comparison floorspace accounting for £1.1m. This actually amounts to £16.1m, rather than the £16.0 advised by the applicant.

In terms of estimating the turnover of the proposed store, the submitted RIA applies a turnover of £10,174 per m² for the proposed convenience floorspace and £4,069 per m² for the proposed comparison floorspace. The retail assessment indicates that these figures are company average figures for Asda, Tesco, Morrisons and Sainsbury and have been sourced directly from the Mintel Retail Rankings publication.

Paragraph 1.4 of the submitted RIA explains that the document has been prepared using a goods based methodology, offering analysis on convenience and comparison goods. Where a retail assessment is prepared using a goods based methodology, it is necessary to ensure that the turnover and expenditure data is applied on a goods basis. Therefore, in order to ensure consistency, it is necessary to apply goods based company average turnover data to estimate the turnover of existing floorspace and the turnover of the proposed store.

The figures used by the applicant are sourced directly from the Retail Rankings publication whose figures are published on a 'business' base and are not appropriate for use in a goods based retail assessment. Business based turnover figures are derived from retail sales across the entire business, including sales of non-convenience goods. In the case of operators like Asda and Tesco, these figures include sales of non-food items which make up a significant proportion of the company's sales. Therefore, when preparing a goods based retail assessment it is important to apply goods based company average turnover figures when calculating the turnover of the proposed store and the existing convenience floorspace in the catchment area.

In order to calculate a goods based company average turnover it is necessary to take the business based figures from Retail Rankings and then undertake an analysis of each retailers company average sales mix and the percentage of floorspace which each retailer dedicates on average to the sale of food and non-food goods. This information is sourced directly from the Verdict Report on Grocery Retailers. You will see from the enclosed tables that the business based company average turnover figures are converted to a goods basis using the company average sales mix and floorspace allocation data sourced from Verdict.

This allows for a robust estimation of a company's average turnover for convenience and comparison floorspace to be made and is entirely based upon publicly available company average information. The enclosed goods based figures have been approved by GL Hearn's retail planning team and the methodology in arriving at these figures has been approved by our own retail clients who include the Co-operative Group and Tesco Stores Ltd.

Using the most up to date publicly available information, ASDA, Tesco, Morrisons and Sainsbury have the following goods based company average turnovers at 2005 prices:

Table 1: Goods Based Company Average Turnover Figures

Operator	Convenience Turnover Per M ² (£)	Comparison Turnover Per M ² (£)
ASDA	14,413	6,690
Tesco	13,287	7,463
Morrisons	8,438	6,274
Sainsbury	9,269	6,274
Average Turnover Per M ²	11,351	6,735

Source: Retail Rankings 2007 & Verdict Report on Grocery Retailers 2007. 2005 Prices.

Table 2: Goods Based Turnover of Proposed Supermarket

	Net Floorspace (M ²)	Turnover Per M ²	Turnover (£m)
Convenience	1471	11,351	£16,698,424
Comparison	260	6,735	£1,751,100
Total	1731		£18,449,524

It can be seen that the above foodstore operators above have a goods based company average turnover of £11,351 per m² for convenience goods and £6,735 per m² for comparison goods (Sourced from Retail Rankings and the Verdict Report on Grocery Retailers). Using these figures it is estimated that the proposed store will actually have a company average turnover of £18.45m, significantly higher than the applicant's estimation of £16.0m

The effect of underestimating the turnover of the proposed store is that the submitted retail assessment hides the true impact which the proposal will have on the existing retail provision within the catchment area.

Catchment Area & Population

Section 2 of the submitted RIA provides details of the catchment area, defined by the applicant, together with associated population estimates.

Table 2.1 of the applicant's RIA provides details of the estimated catchment area population, advising that in 2007 the catchment area has a population of 12,633. The table then proceeds to factor in additional population based on an assumption concerning future house building in Skye and estimates that the catchment population will total 13,083 in 2011.

The catchment area defined by the applicant includes postcode sectors IV408, IV528 and IV538 which are located on the mainland and extend a significant distance to the east, outwith what we consider to be a realistic catchment area for the proposed store.

It is not clear from the submitted catchment plan, but Map 2.1 of the submitted RIA appears to indicate that the catchment area extends to Kyle of Lochalsh but does not include the land to the east, despite the population from the easterly postcodes being included within the catchment population.

We do not consider that the area to the east of Kyle should be included within the catchment of the proposed store as this would involve shoppers currently using stores in Kyle and Broadford make a round trip of over 2 hours in order to shop at the proposed store. It seems unlikely that shoppers would travel a significant distance to a store where additional spend would be required to cover the travel costs of making such a trip and as such a trip would involve them passing two existing Co-op supermarkets.

Our client the Co-operative Group instructed us to undertake an analysis of retail capacity in the Skye catchment area and as part of this work we have undertaken an analysis of the resident population in Skye. We obtained population information from Highland Council and this information is set out below.

Table 3: Highland Council Population Estimates by Electoral Ward 2001-2011

Ward	2001	2004	2006	2011
Kyle & Sleat	2,021	2,035	2,037	2,041
Portree	2,188	2,204	2,205	2,210
Skye Central	1,929	1,943	1,944	1,948
Skye West	1,950	1,964	1,965	1,970
Snizort & Trotternish	2,218	2,234	2,236	2,240
Total	10,306	10,379	10,388	10,410

Notes

2001 Census - Ward Area Populations 2001

2001 - 2004 projected using Highland Council population information for period 1984-2004. Highland Council figures show an 11.7% population increase over the period 1984-2004, equating to an average of 0.59% per annum.

Highland Council predict that population in Skye & Lochalsh will increase by 8.4% over the period 2004-2024. This equates to 0.42% per annum. Highland Council have advised that this predicted increase is reliant on inward migration as deaths currently exceed births on Skye.

The above Highland Council wards correspond with the catchment area of the proposed store and it can be seen from the above information that the submitted RIA overestimates the population of the catchment area by approximately 2,245 people in 2007 and 2,673 people in 2011. The effect of overestimating the population artificially increases the amount of available expenditure that is generated by the catchment population.

Available Expenditure

Table 2.3 of the submitted RIA indicates that within the catchment area there is £21.8m of convenience expenditure in 2007 and £23.3m in 2011. It should be noted that these figures are influenced by the inflated population estimates.

Using the more robust Highland Council population figures and the expenditure per head figures used by the applicant in Table 2.2, it can be seen that the actual convenience expenditure generated by the catchment population is as follows:

Table 4: Available Expenditure within Catchment Area using Highland Council Population Data

Ward	2006	2011
Kyle & Sleat	£3,517,957	£3,635,582
Portree	£3,808,654	£3,935,998
Skye Central	£3,357,812	£3,470,083
Skye West	£3,394,367	£3,507,860
Snizort & Trotternish	£3,860,875	£3,989,966
Total	£17,939,665	£18,539,488

Source

Population x Expenditure Per Head (£1727 for 2006 and £1781 for 2011)

In light of the above table, it can be seen that the submitted RIA overestimates the amount of available expenditure in the catchment area by £5.4m in 2006 and by £4.8m in 2011.

In addition to over-estimating the amount of available expenditure within the Skye catchment area, the RIA also assumes that all of the available convenience expenditure is spent on main food shopping. The submitted RIA makes no allowance or deduction from the available expenditure to take account of expenditure on 'top-up' shopping.

It is generally accepted amongst retail planning practitioners that 30% of convenience expenditure per head is spent on top-up shopping purposes, generally spent in small convenience stores that are located in close proximity to the shopper's home. Top up shopping tends to comprise items such as bread, milk and other convenience items that are purchased on more than a weekly basis.

Given the rural nature of the Skye catchment area it is likely that many residents, particularly those living in remote parts of the island, spend a significant amount of their available convenience expenditure on top-up shopping at the local stores that are dispersed across the island. Given this likelihood, it is considered that at the very most, 70% of the expenditure generated by the catchment population is available for main food shopping purchases within supermarkets.

Using the applicant's estimates of expenditure, making an allowance of 30% to take account of top-up shopping expenditure would reduce the amount of main food shopping expenditure to £15.26m in 2007 and £16.31m in 2011. Using our own estimates of available expenditure, the available expenditure would decrease to £12.53m in 2007 and to £12.95m in 2011.

Overall, it is evident that the submitted RIA fundamentally overestimates the amount of convenience expenditure that is generated by the catchment population. This serves to erroneously suggest the existence of surplus expenditure that is available to support new retail floorspace and also hides the true impact that the proposed store will have on existing retailers throughout the Skye catchment area.

Trade Inflows

Paragraphs 2.6 – 2.9 of the submitted RIA offer comment on convenience expenditure inflows to the catchment, in relation to tourism expenditure.

The submitted assessment refers to the *'Tourism in the Highlands Factsheet 2005'* and the *Skye and Lochalsh Tourism Survey 2002* undertaken by Highlands and Islands Enterprise (HIE) and suggests that convenience expenditure by visitors to Skye and Lochalsh could be around £7.4 million.

The RIA prepared by Hargest & Wallace in support of the proposed Lidl store at Dunvegan Road (App Ref: 07/00212/FULSL) also offers comment on tourist expenditure and also makes reference to the aforementioned HIE publications.

It is apparent that the information contained within the HIE publications is now out of date and cannot be relied upon to provide an accurate estimate of tourist expenditure on convenience goods. Moreover, we do not consider that the existence of our tourist expenditure should be relied upon to support additional retail floorspace in Skye.

Notwithstanding this, the information provided by HIE indicates that tourist convenience expenditure amounts to £3 per day and £1.50 per day for day-trippers. Using the tourism figures provided by HIE, tourist spend on convenience goods amounts to £3.4m per annum, which is considerably less than the £7.4m suggested by Oatridge. The £7.4m suggested by Oatridge is a vast over-estimate and is another crude attempt by the applicant to artificially inflate the available expenditure within the catchment area.

Adding £3.4m to take account of tourism expenditure increases the amount of available expenditure within the catchment area. On the basis of the figures contained in Table 4 (above) it is estimated that the catchment area would generate a maximum of £21.3m in 2006 and £21.9m in 2011.

Trade Outflows

The submitted RIA at paragraphs, 2.10 – 2.13, provides commentary with regard to trade outflow, that being expenditure which is leaking to stores and centres that lie outwith the defined catchment area. In this regard, the submitted RIA suggests that £7.3m of expenditure is leaving the catchment area to stores in Inverness but no empirical evidence is presented by the applicant to support this assertion which claims that significant amounts of convenience shopping trade are leaving the catchment area to stores in Inverness.

We have undertaken our own detailed and robust analysis of retail provision, retail expenditure and shopping patterns within the Skye catchment area. As part of this research we commissioned an independent household survey in order to secure primary information on existing shopping patterns in the Skye catchment area.

A telephone shopper survey was undertaken in February/March 2007 by an independent firm, NEMS Market Research. This survey asked questions in relation to the stores and outlets which local residents used, the frequency of shopping trips, expenditure levels, and whether shopping trips are combined with other activities.

The survey involved asking each respondent which store they do most of their main food shopping in and the survey results indicate that there is limited convenience expenditure leaving the island with only 3.2% of respondents shopping at foodstores in Inverness. This suggests that the Skye catchment area is relatively self contained and shoppers are not prepared to travel large distances for their main food shopping purchases. Given that the independent household survey indicates that only 3.2% of Skye residents travel to Inverness for their main food shopping, it is evident that the levels of trade leakage assumed by Oatridge are grossly inaccurate.

Existing Convenience Provision

Section 3 of the RIA considers the existing convenience provision within the catchment area and makes comment on its function. Paragraph 3.4 offers the following comment on the Co-op in Broadford:

"The Co-op in Broadford is within a unit shared with another unit, so it is quite small"

As you may be aware, the existing Co-op store in Broadford forms part of a larger building which the Co-op have purchased and it is their intention to trade from those parts of the building which they do not currently occupy.

An extended Co-op store in Broadford, providing an improved range of products will reduce the likelihood of shoppers from the south of Skye travelling to Portree in order to undertake part of their main food shopping. It is also noted that the draft Local Plan allocates land in Broadford for retail development and if this site comes forward it will further strengthen the retail offer of Broadford, making it even less likely that shoppers from the southern parts of Skye will choose to travel to Portree for shopping purposes.

Table 3.1 of the applicant's RIA provides information on existing retail provision within the catchment area. Having reviewed the submitted table we consider that it fundamentally underestimates that amount of floorspace contained within the Skye catchment area. Again, we have undertaken our own analysis of the existing floorspace within Skye and have attached our findings for your information.

Table 3.2 of the applicant's RIA then provides an estimation of the catchment area convenience turnover in 2007, suggesting that, at average levels, the existing convenience floorspace has a turnover of £14.6m.

Table 3.2 applies average turnover ratios which in the case of the Co-op is below the published company average figures. Similarly for the 'other' floorspace in the catchment area we consider that the turnover figures are underestimated. The Highland Council Inverness Retail Model (2003) applies a turnover figure of £3151 for local stores and this figure should be applied to the 'other' convenience floorspace to ensure that a robust analysis is undertaken. We can advise that the goods based company average turnover for the Co-op at 2005 prices is £5,352 per m².

On the basis of our own estimate of the retail provision within the catchment area and using robust company average turnover figures, including those approved by Highland Council, it is estimated that the existing convenience provision has a turnover of £20.49m at 2006 and £20.74m at 2011. This is significantly higher than the applicant's estimate of £14.6m in 2007 at 'average' levels.

Trade Draw & Impact

Given the inherent flaws with the applicant's assessment of the catchment population, available convenience expenditure and the turnover of the existing convenience floorspace, their findings with regard to trade draw and retail impact can be given little credence.

The submitted RIA provides an indication of where the proposed store is likely to draw its trade from and Table 4.1 advises that £1.5m will be drawn from an assumed growth in retail expenditure, £5.4m will be clawed back from trade leaving Skye, £7.4m will be drawn from existing overtrading stores in Skye and £0.5m will be drawn from an assumed growth in tourist expenditure.

As can be seen, the estimate of trade draw is largely based on unfounded assumptions rather than an evidence based analysis of the likely situation that will arise by the introduction of a large out of centre foodstore in Portree. Indeed, almost £2.0m of the proposed stores turnover is derived from unfounded assumptions relating to growth on convenience and tourism expenditure over the period 2007-2011.

Furthermore, the submitted assessment explains that the proposal will help to claw back £7.4m of trade that is allegedly leaking from Skye and Lochalsh to Inverness and other towns. The claim that the proposed store will clawback trade leaving the Skye catchment is both inaccurate and misleading, with independent research demonstrating that very little convenience trade leaks from the catchment area.

Trade which does leave the island is primarily associated with trips which are being made to Inverness and Fort William where shoppers are travelling to these centres to make comparison shopping purchases and at the same time are making limited convenience purchases, typically luxury convenience items which are not available on the Isle of Skye.

In light of this, we do not agree with the assertion that the proposed store will claw back any significant convenience expenditure which is leaking from Skye to more distant centres. All of the evidence indicates that the applicant's estimates of leakage are significantly over estimated and we consider that the £7.4m of convenience expenditure will actually be drawn from existing centres on the island.

In addition to clawing back trade leaving Skye, the submitted RIA indicates that the proposed store will also draw significant trade from Kyle and Broadford (£1.5m from Kyle Co-op and £1.6m from Broadford Co-op). This assumption suggests that shoppers currently using stores in Kyle and Broadford will choose to make a round trip of up to 2 hours in order to shop at the proposed store.

It seems unlikely that shoppers would travel a significant distance to a store where additional spend would be required to cover the travel costs of making such a trip. The prospects of shoppers travelling to Portree from Kyle and Broadford is set to become even more unlikely as the Co-operative Group are committed to improving the retail offer of their existing store in Broadford. An extended Co-op store in Broadford, providing an improved range of products will further reduce the likelihood of shoppers from the south of Skye travelling to Portree in order to undertake part of their main food shopping.

In light of this, the RIA's combined trade draw of £3.5m from Broadford, Kyle and Dunvegan is considered to be utterly excessive and again serves illustrate how the applicant has attempted to hide the true impact which the proposed store will have on Portree.

The submitted RIA indicates that only £0.4m will be drawn from the independent retailers in Portree; almost the same amount which the RIA suggests would be drawn from stores in Kyle (£0.3m). Given the proximity of Portree village centre to the application site it is entirely logical to assume that the proposed store will have larger impact than the £0.4m indicated in the applicant's retail assessment.

It is evident that the submitted RIA attempts to disperse the impact of the proposed store across the retail floorspace within the catchment area and fails to accurately reflect the likely sources of trade draw. Given the low level of trade leakage from Skye, it is evident that the Skye retail catchment is extremely self contained and the introduction of new floorspace will simply serve to redistribute existing expenditure and move it around the catchment.

Conclusions

Given the inherent flaws with the applicant's RIA we have undertaken our own analysis of the likely retail impact of the proposed store, based upon the following information:

- Highland Council population estimates (2001 Census)
- Applying goods based company average turnover figures to estimate the turnover of the proposed store and existing retail floorspace in the catchment area
- The proposed store drawing the majority of its trade from existing retailers within the Skye catchment area.
- Tourism expenditure totalling no more than £3.4m

The results of this exercise are attached to this letter and demonstrate that should the Oatridge application be granted permission it would have such an impact upon existing retailers in Skye that it would result in the closure of the Co-op stores in Portree, Broadford and Kyle of Lochalsh as well as the Somerfield in Portree and numerous other retailers in Portree and its surrounds. Retailers in the remote rural areas of Skye would also be severely impacted upon and it is likely that many stores which provide a valuable service to the isolated rural communities would close.

The proposed store will primarily impact upon the exiting floorspace and this will principally be in Portree. The adopted Local Plan advises that commercial and environmental re-vitalisation of the village centre is essential to maintain its viability and that there is strong local support for expansion of the central shopping area. It is evident that the proposed development runs contrary to this aim as it will have a detrimental impact upon the existing convenience retailers in Portree.

The applicant's planning statement at paragraph 2.26 advises that the Co-op in Portree is an out of centre store which does not benefit from any protection against retail impact under planning policies. The adopted Local Plan does not define a town centre boundary for Portree and if the logic of the applicant's argument is extended then none of the existing retail stores in Portree or any other shops in Skye are offered protection by planning policy as they are not within a centre. However, the existing stores in Portree and those rural shops dispersed throughout the catchment area all perform an important community function and the proposed foodstore development threatens many of these stores with closure.

Table 1: Highland Council Population Estimates by Electoral Ward 2001-2011

Ward	2001	2004	2006	2011
Kyle & Sleat	2,021	2,035	2,037	2,041
Portree	2,188	2,204	2,205	2,210
Skye Central	1,929	1,943	1,944	1,948
Skye West	1,950	1,964	1,965	1,970
Snizort & Trotternish	2,218	2,234	2,236	2,240
Total	10,306	10,379	10,388	10,410

Notes

2001 Census - Ward Area Populations 2001

2001 - 2004 projected using Highland Council population information for period 1984-2004. Highland Council figures show an 11.7% population increase over the period 1984-2004, equating to an average of 0.59% per annum.

Highland Council predict that population in Skye & Lochalsh will increase by 8.4% over the period 2004-2024. This equates to 0.42% per annum. Highland Council have advised that this predicted increase is reliant on inward migration as deaths currently exceed births on Skye.

Table 2: Convenience Expenditure Per Head

	2007	2007
Convenience Goods	1,727	1,781

Sources: Oatridge RIA Table 2.2

Table 3: Expenditure Generated by Catchment Area

Ward	2008	2011
Kyle & Sleat	3,517,957	3,635,582
Portree	3,808,654	3,935,988
Skye Central	3,357,812	3,470,083
Skye West	3,394,367	3,507,860
Snizort & Trotternish	3,860,875	3,989,988
Total	17,939,665	18,539,488
Tourism Expenditure	3,400,000	3,400,000
Grand Total	21,339,665	21,939,488

Source: Table 1 and Table 2

Tourism Expenditure Estimated using information from HIE

Table 4 - Turnover of Existing Concessions Provided

Store Name	Year	Area (sq ft)	Revenue (\$)	Operating Expenses (\$)	Net Income (\$)	Net Income %	Operating Expenses %	Revenue %
CONVENT STORE	2008	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2009	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2010	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2011	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2012	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2013	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2014	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2015	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2016	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2017	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2018	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2019	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2020	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2021	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2022	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2023	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2024	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2025	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2026	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2027	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2028	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2029	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2030	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2031	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2032	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2033	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2034	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2035	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2036	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2037	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2038	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2039	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2040	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2041	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2042	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2043	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2044	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2045	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2046	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2047	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2048	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2049	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2050	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2051	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2052	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2053	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2054	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2055	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2056	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2057	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2058	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2059	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2060	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2061	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2062	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2063	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2064	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2065	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2066	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2067	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2068	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2069	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2070	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2071	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2072	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2073	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2074	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2075	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2076	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2077	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2078	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2079	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2080	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2081	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2082	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2083	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2084	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2085	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2086	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2087	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2088	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2089	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2090	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2091	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2092	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2093	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2094	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2095	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2096	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2097	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2098	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2099	1,117	527	487	40	3.6	43.6	3.6
CONVENT STORE	2100	1,117	527	487	40	3.6	43.6	3.6

Notes:
 2008 Base
 Company Average Turnover Rate for Local Stores Estimated at 13.1%. This figure was used in Inverness Retail Model 2003 for Local Stores in Style
 Corp and Sonfield. Turnover rates used in Retail Analysis 2009 and Vendor Report on Grocery Retailers 2009
 Corp. Turnover rates used in Retail Analysis 2009 and Vendor Report on Grocery Retailers 2009
 Other Turnover Rates Estimated following C.I.H. Survey for 2007. Sales Forecasts adjusted as 85% of typical turnover due to small size of retail units. Estimated at 75% where store includes a post office.
 Company Average Turnover Rates projected forward by 0.2% per annum to take account of increased productivity. Productivity projection figure sourced from Retail Analysis.

Table 5 - Surplus Capacity

	Available Convenience Expenditure (£m)	Turnover of Existing Convenience Provision (£m)	Surplus (£m)	Allowance for Tourism Expenditure (£m)	Surplus Capacity to Support New Floorspace (£m)
2006	£17.94	£20.49	-£2.55	£3.40	£0.85
2011	£18.54	£20.74	-£2.20	£3.40	£1.20

Notes

2003 Prices

Surplus Convenience Capacity using Highland Council Population Estimates

Table 6 - Turnover of Proposed Foodstore

Floorspace	Net Sales Area (sqm)	Company Average Turnover Per sqm (£)	2009 Turnover (£M)	2011 Turnover (£M)
Net Food Sales	1,471	11,351	16.76	16.83
Non Food Sales	260	6,735	1.80	1.86
TOTAL	1,731		18.57	18.69

Source

Floorspace information sourced from Oatridge RIA

Company Average Floorspace is an average goods based figure for Tesco, Asda, Morrisons and Sainsbury. Derived from Retail Rankings and Verdict Report on Grocery Retailers.

Table 7: Convenience Trade Diversion by Study Area

STUDY AREA	Available Expenditure 2011 (EM)	% of Total Turnover	Trade Draw (EM)
CATCHMENT AREA	21,939,488	95	15.99
5% FROM OUTSIDE CATCHMENT		5	0.84
TOTAL	21,939,488.16	100	16.83

Notes

Estimated that 95% of the proposed stores trade will be drawn from stores within the catchment area. Based on results of independent household survey that shows 3.2% of Skye residents undertaking main food shopping at stores outwith the Skye catchment area.

Portree - Cairnridg

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Table 7a - Convenience Trade Diversion by Study Area. 5% Trade Draw From Outside Catchment (2009)

STUDY AREA	Population 2009	Available Expenditure 2009 (£M)	% of Total Turnover	Trade Draw (£M)	% Available Expenditure Drawn to Store
A	5,933	10.52	70.00%	4.64	44%
B	1,275	2.23	12.50%	0.83	37%
C	2,408	4.31	12.50%	0.83	19%
SUBTOTAL			95%	6.29	
5% FROM OUTSIDE CATCHMENT			5%	0.33	
TOTAL	9,617	17.06	100%	6.62	

Notes

2003 Prices

Some variation due to rounding

Table 7b - Convenience Trade Diversion by Study Area. 10% Trade Draw From Outside Catchment (2009)

STUDY AREA	Population 2009	Available Expenditure 2009 (£M)	% of Total Turnover	Trade Draw (£M)	% Available Expenditure Drawn to Store
A	5,933	10.52	65.00%	4.31	41%
B	1,275	2.17	12.50%	0.83	38%
C	2,408	4.31	12.50%	0.83	19%
SUBTOTAL			90%	6.29	
10% FROM OUTSIDE CATCHMENT			10%	0.66	
TOTAL	4,689	16.65	100%	6.62	

Notes

2003 Prices

Some variation due to rounding

Table 8: Allocation of Convenience Trade to Proposed Store

STORES WITHIN STUDY AREA	Study Area (EM)
	15.99
PORTREE	
Co-op, Woodlands Road	5.70
Somerfield, Bank Street	1.90
Post Office, Bayfield Road	
Anchor Seafoods, Quay Street	0.10
Vanilla Skya Confectionary, Bayfield Road	0.10
MacLeod Pharmacy	0.10
Fraser McIntyre Newsagent & Bookstore	0.10
Butcher, Bayfield Road	0.10
Bakery	0.10
Jackson's Wholefoods	0.13
MacCrae Garage Store, Dunvegan Road	0.10
Portree Filling Station Kiosk	0.10
KYLE OF LOCHALSH	
Co-op	3.00
Other Convenience Floorspace	0.41
BROADFORD	
Co-op, Main Street	2.50
Steak & Bake	0.10
Sutherland's Petrol Station Kiosk	0.35
Spar	0.30
Post Office & Craft Encounters	0.10
DUNVEGAN	
Fasgadh Stores	0.10
National Petrol Station Kiosk	
General Store	0.10
GLENDALE	
Glen Stores	0.1
Glendale Village Shop & Post Office	
STAFFIN	
Staffin Bay Stores	0.1
Lifestyle Express	
UIG	
Uig Petrol Station Sales Kiosk	0.1
Newsagent & Rankin's Bakery	0.1
ELGOL	
The Elgol Shop	
INVERARISH/RAASAY	
General Store & Post Office	
ARMADALE	
Petrol Filling Station Kiosk	
ARDVASAR	
Ardvaser Food Store	
KYLEAKIN	
Cameron's Post Office & Newsagent	0.1
BREAKISH	
Post Office	
EDINBANE	
The Edinbane Shop	
STRUAN	
Struan Shop	
CARBOST	
The Stop Shop	
TOTAL	15.99

Table 8a: Allocation of Convenience Trade to Proposed Store (6% Tra. raw From Outside Catchment Area)

STORES WITHIN STUDY AREA	Study Area A (EM)	Study Area B (EM)	Study Area C (EM)	Beyond Catchment (EM)	Trade Diverted (EM)
Lochgillhead Town Centre					
Co-op, Oban Road	4.00	0.75	0.70		5.45
Spar	0.02				0.02
Slag Garage, Lorne Street (Consent)	0.07				0.07
Others (Including Subdivided Co-op)	0.25	0.04	0.04		0.33
Riverside Filling Station (Spar) (OOC)	0.03				0.03
Esoo Filling Station, Paterson Street (OOC)					0.00
Tesco Express, Paterson Street Filling Station	0.26	0.03	0.05		0.34
Ardfielatig					
Co-op, Chalmers Street	0.01				0.01
Key Store, Chalmers Street					0.00
Tarbert					
Co-op, Lochview			0.03		0.03
Others			0.01		0.01
Inventory					
Spar		0.01			0.01
Others					
Stores Outside Study Area	Study Area A	Study Area B	Study Area C	Beyond Catchment	Trade Diverted
Oban					
Tesco, Lochside				0.20	0.20
Dumbarton					
A&A, St James Retail Park				0.07	0.07
Monimons, Glasgow Road				0.06	0.06
TOTAL	4.64	0.83	0.83	0.33	6.62

Table 8b: Allocation of Convenience Trade to Proposed Store (10% Trade Draw From Outside Catchment Area)

STORES WITHIN STUDY AREA	Study Area A (EM)	Study Area B (EM)	Study Area C (EM)	Beyond Catchment (EM)	Trade Diverted (EM)
Lochgillhead Town Centre					
Co-op, Oban Road	3.97	0.75	0.70		5.42
Spar	0.01				0.01
Slag Garage, Lorne Street (Consent)	0.05				0.05
Others (Including Subdivided Co-op)	0.08	0.04	0.04		0.16
Riverside Filling Station (Spar) (OOC)	0.03				0.03
Esoo Filling Station, Paterson Street (OOC)					0.00
Tesco Express, Paterson Street Filling Station	0.16	0.03	0.05		0.24
Ardfielatig					
Co-op, Chalmers Street	0.01				0.01
Key Store, Chalmers Street					0.00
Tarbert					
Co-op, Lochview			0.03		0.03
Others			0.01		0.01
Inventory					
Spar		0.01			0.01
Others					
Stores Outside Study Area	Study Area A	Study Area B	Study Area C	Beyond Catchment	Trade Diverted
Oban					
Tesco, Lochside				0.36	0.36
Dumbarton					
A&A, St James Retail Park				0.15	0.15
Monimons, Glasgow Road				0.15	0.15
TOTAL	4.37	0.83	0.83	0.66	6.62

Table 9: Impact of Proposed Store on Existing Retail Floorspace

STORES WITHIN STUDY AREA	Convenience Goods Floorspace (sqm)	Actual Turnover 2011 (£m)	Diversification (£M)	Residual Turnover (£M)	Impact %
PORTREE					
Co-op	927	5.76	5.70	0.06	99
Somerfield, Bank Street	311	2.00	1.90	0.10	95
Post Office, Bayfield Road	54	-0.18	0.00	0.18	0
Anchor Seafoods, Quay Street	38	0.13	0.10	0.03	78
Vanilla Skye Confectionary, Bayfield Road	61	0.20	0.10	0.10	49
MacLeod Pharmacy	170	0.57	0.10	0.47	18
Fraser McIntyre Newsagent & Bookstore	128	0.43	0.10	0.33	23
Butcher, Bayfield Road	68	0.23	0.10	0.13	44
Bakery	102	0.34	0.10	0.24	29
Jackson's Wholefoods	43	0.14	0.13	0.01	92
MacCrae Garage Store, Dunvegan Road	170	0.57	0.10	0.47	18
Portree Filling Station Kiosk	48	0.16	0.10	0.06	63
KYLE OF LOCHALSH					
Co-op	486	3.02	3.00	0.02	99
Other Convenience Floorspace	150	0.53	0.41	0.12	78
BROADFORD					
Co-op, Main Street	405	2.52	2.50	0.02	99
Steak & Bake	102	0.34	0.10	0.24	29
Sutherland's Petrol Station Kiosk	128	0.43	0.35	0.08	82
Spar	102	0.34	0.30	0.04	88
Post Office & Craft Encounters	75	0.25	0.10	0.15	40
DUNVEGAN					
Fasgadh Stores	115	0.38	0.10	0.28	26
National Petrol Station Kiosk	26	0.09	0.00	0.09	0
General Store	51	0.17	0.10	0.07	59
GLENDALE					
Glen Stores	61	0.20	0.10	0.10	49
Glendale Village Shop & Post Office	75	0.25	0.00	0.25	0
STAFFIN					
Staffin Bay Stores	122	0.41	0.10	0.31	24
Lifestyle Express	94	0.31	0.00	0.31	0
UIG					
Uig Petrol Station Sales Kiosk	54	0.18	0.10	0.08	55
Newsagent & Rankin's Bakery	153	0.51	0.10	0.41	20
ELGOL					
The Elgol Shop	60	0.20	0.00	0.20	0
INVERARISH/RAASAY					
General Store & Post Office	45	0.15	0.00	0.15	0
ARMADALE					
Petrol Filling Station Kiosk	116	0.39	0.00	0.39	0
ARDVASAR					
Ardsasar Food Store	43	0.14	0.00	0.14	0
KYLEAKIN					
Cameron's Post Office & Newsagent	42	0.14	0.10	0.04	71
BREAKISH					
Post Office	48	0.16	0.00	0.16	0
EDINBANE					
The Edinbane Shop	128	0.43	0.00	0.43	0
STRUAN					
Struan Shop	65	0.28	0.00	0.28	0
CARBOST					
The Stop Shop	92	0.31	0.00	0.31	0
TOTAL		22.83	15.99		

Table 9a: Impact of Proposed Store on Existing Convenience Floorspace in Study Area (Introducing Convenience Floorspace into Existing Co-op Store and assuming 5% Trade Draw

Stores	Net Convenience Floorspace (sqm)	Actual Convenience Turnover 2009 (£/M)	Co-op Diversion (£/M)	Residual Turnover (£/M)	Co-op Impact %
Lochgilhead Town Centre					
Co-op, Oban Road	800	6.02	5.45	0.57	80
Spar	36	0.25	0.02	0.23	9
Slag Garage, Lorne Street (Consent)	407	1.17	0.07	1.10	6
Others (Including Sub divided Co-op)	1021	2.81	0.33	2.48	12
Other Lochgilhead					
Riverside Filling Station (Spar) (COOC)	100	0.59	0.03	0.56	5
Esso Filling Station (COOC)	30	0.07	0.00	0.07	0
Tesco Express, Paterson Street Filling Station	219	2.79	0.34	2.48	12
Ardsiallag					
Co-op, Chalmers Street	80	0.46	0.01	0.47	2
Key Store, Chalmers Street	65	0.17	0.00	0.17	0
Tarbert					
Co-op, Lochview	229	1.25	0.03	1.23	2
Others	118	0.27	0.01	0.26	4
Inverlary					
Spar	49	0.26	0.01	0.25	4
Others	53	0.10	0.00	0.10	0.00
Stores Outside Study Area					
Oban					
Tesco, Lochside	3,280	63.85	0.20	63.65	0.31
Dumbarton					
Asda, St James Retail Park	3,216	68.64	0.07	68.57	0.10
Morrisons, Glasgow Road	2,926	36.56	0.06	36.50	0.16
TOTAL			6.62		

Table 9b: Impact of Proposed Store on Existing Convenience Floorspace in Study Area (Introducing Convenience Floorspace into Existing Co-op Store and assuming 10% Trade

Stores	Net Convenience Floorspace (sqm)	Actual Convenience Turnover 2009 (£/M)	Co-op Diversion (£/M)	Residual Turnover (£/M)	Co-op Impact %
Lochgilhead Town Centre					
Co-op, Oban Road	800	6.02	5.42	0.60	90.0
Spar	36	0.25	0.01	0.24	4.1
Slag Garage, Lorne Street (Consent)	407	1.17	0.05	1.12	4.3
Others (Including Sub divided Co-op)	1021	2.81	0.16	2.65	5.7
Other Lochgilhead					
Riverside Filling Station (Spar) (COOC)	100	0.59	0.03	0.56	5.1
Esso Filling Station (COOC)	30	0.07	0.00	0.07	0.0
Tesco Express, Paterson Street Filling Station	219	2.79	0.24	2.56	8.5
Ardsiallag					
Co-op, Chalmers Street	80	0.46	0.01	0.47	2.1
Key Store, Chalmers Street	65	0.17	0.00	0.17	0.0
Tarbert					
Co-op, Lochview	229	1.25	0.03	1.23	2.1
Others	118	0.27	0.01	0.26	3.7
Inverlary					
Spar	49	0.26	0.01	0.25	3.9
Others	53	0.10	0.00	0.10	0.0
Stores Outside Study Area					
Oban					
Tesco, Lochside	3,280	63.85	0.36	63.49	0.6
Dumbarton					
Asda, St James Retail Park	3,216	68.64	0.15	68.49	0.2
Morrisons, Glasgow Road	2,926	36.56	0.15	36.41	0.4
TOTAL			6.62		

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Date: 2nd May 2008
Our Ref: GL/128156/J018172/L009

GL Hearn
Property Consultants

16 Gordon Street
Glasgow G1 3PT

T: [REDACTED]
F: [REDACTED]
E: [REDACTED]
www.glhearn.com

Mr Michael Hoar
Highland Council
Kingshouse
The Green
Portree
Isle of Skye
IV51 9BT

By Email, Fax and Post

GL HEARN 

Dear Mr Hoar,

**Oatridge Ltd & Lidl UK GmbH - Proposed Retail Developments, Dunvegan Road, Portree
(Application Refs: 07/0037OUTSL & 07/00212/FULSL)**

I refer to our recent discussions regarding the above planning applications which are scheduled to be considered by the Council's planning committee on Tuesday 6th May 2008. I have taken the opportunity to review the committee reports and welcome the recommendation to refuse both of the above applications.

While we are supportive of the recommendations, we are concerned that the reports do not establish a requirement for either application to be referred to the Scottish Ministers should the elected members resolve to grant planning permission contrary to officer recommendation.

The committee report that considers the Oatridge application concludes that the proposed development is contrary to National Planning Policy contained within SPP8, the approved Highland Structure Plan and the adopted Skye & Lochalsh Local Plan. It is therefore evident that should members resolve to grant the Oatridge proposal it would represent a significant departure from the development plan and on this basis the application should be referred to the Scottish Ministers under the terms of the Town and Country Planning (Notification of Applications) (Scotland) Direction 1997.

In terms of the Lidl proposal we note that the reasons for recommending refusal of the application primarily relate to site specific access and transportation issues. However, as with the Oatridge proposal, should the elected members be minded to grant planning permission, contrary to officer recommendation, the Lidl application should also be referred to the Scottish Ministers. We consider this to be the case as Transport Scotland's consultation response establishes that they have no objection to the Lidl application subject to a number of conditions being implemented, including the provision of improved visibility splays at the junction of Beech Gardens and the A87.

It has been proven that the necessary visibility splays cannot be achieved within the Lidl application site and therefore if members were minded to grant planning permission, at least one of Transport Scotland's requirements could not be met. Not being in a position to satisfy at least one of Transport Scotland's stated requirements would in effect give rise to an objection from Transport Scotland and if members resolved to grant planning permission this would trigger a requirement under the terms of the Town and Country Planning (Notification of Applications) (Scotland) Direction 1997 for the Lidl application to be referred to the Scottish Ministers.



I trust that our comments will be given consideration and that the members of the planning committee will be made aware of the above notification requirements should they resolve to grant either planning application contrary to officer recommendation.

Yours sincerely



Graeme Laing
Associate Planning Director



cc Ruairidh Jackson – Co-operative Group
Jim McKinnon – Scottish Government
Richard Hartland – Highland Council
John Swanson – Transport Scotland



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It is also noted that Oatridge Ltd have announced that the operator of the proposed supermarket would be Tesco and this announcement has direct implications for the submitted application, particularly with regard to the issue of retail impact.

According to the most up to date turnover information sourced from Retail Rankings and the Verdict Report on Grocery Retailers, Tesco have a convenience goods company average turnover of £13,413 per m² and a comparison goods company average turnover of £8,772 per m². If the proposed store were operated by Tesco it would have a company average turnover of £22.01m, a turnover that is significantly higher than the applicant's original estimation of £16.0m.

Despite the announcement by the applicant regarding the operator of the proposed store, no robust additional supporting material has been lodged by the applicant to deal with the retail impact issues that are raised and we consider that the applicant should provide a fully revised retail impact assessment to reflect that the fact that the operator of the proposed store is now known.

Notwithstanding this matter, we take this opportunity to remind the members of the Skye, Ross and Lochaber Planning Committee that Section 25 of the Town and Country Planning Scotland Act 1997 requires that the Council make their determination on the application in accordance with the development plan unless material considerations indicate other wise.

Our previous representations, the retail assessment prepared on behalf of Highland Council by White Young Green and the case officer's previous committee reports quite clearly demonstrate that the application runs contrary to the approved Highland Structure Plan, the adopted Skye and Lochalsh Local Plan, the Deposit Draft West Highlands & Islands Local Plan and national planning policy contained within SPP1 'The Planning System' and SPP8 'Town Centres and Retailing'.

There are no material considerations that indicate that the provisions of the development plan and national planning policy contained within SPP1 and SPP8 should be overlooked by the Council and consequently we urge the members of the Skye, Ross and Lochaber Planning Committee to reconsider their previously established position by refusing the submitted application when it appears before the committee again.

However, should the elected members decide to ignore the above matters and remain minded to grant the Oatridge application, we trust that under the terms of the Town and Country Planning (Notification of Applications) (Scotland) Direction 1997 the application will be referred to the Scottish Ministers as it would represent a significant departure from the approved Highland Structure Plan 2001 and the adopted Skye and Lochalsh Local Plan 1999.

I trust that the above matters and our request will be given due consideration and I would welcome the Council's thoughts and intentions on this matter at the earliest opportunity.

Yours sincerely



Graeme Laing
Associate Planning Director

cc Ruairidh Jackson – Co-operative Group
Richard Hartland – Highland Council
Members of the Skye, Ross and Lochaber Planning Committee

Enc.

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GL Hearn
Property Consultants

Date: 31st May 2007
Our Ref: GL/128156/J018219/L001

St Vincent House
241 St Vincent Street
Glasgow G2 5QY

T: [REDACTED]
F: [REDACTED]
E: [REDACTED]
www.glhearn.com

Mr Simon Fraser
Highland Council
Kingshouse
The Green
Portree
Isle of Skye
IV51 9BT

GL HEARN 

By Fax and Post

Dear Mr Fraser,

Proposed Supermarket (Lidl UK GmbH), Dunvegan Road, Portree – Application Ref: 07/00212/FULSL

We refer to the above planning application and hereby submit the following objection on behalf of our client, the Co-operative Group.

The key points of our objection can be summarised as follows:

- *The application fails to comply with the policies and criteria relating to out of centre retail proposals contained within the approved Structure Plan, adopted Local Plan and National Policy contained in SPP8.*
- *The submitted retail assessment provides an inaccurate assessment of the likely impact of the proposed store on Portree town centre.*
- *The proposal will have a detrimental impact on the vitality and viability of Portree town centre.*

The following section of the representation provides an assessment of the proposal against the relevant planning policies and also considers the supporting statement submitted by the applicant.

It should be noted that a further representation has been prepared on behalf of the Co-operative Group by Steer Davies Gleave which provides a specific response and matters relating to transportation and access.

Planning Policy

The development plan relevant to the appraisal site comprises the following documents:

- Highland Council Structure Plan (Approved March 2001)
- Skye and Lochalsh Local Plan (Adopted March 1999)



It should be noted that Highland Council have commenced with the review of the Skye and Lochalsh Local Plan and a committee draft plan was approved in March 2007. Although the draft plan is a material consideration for development management purposes it has not been the subject of a public consultation exercise, as it is the Council's intention to prepare a conjoined Skye and Lochaber Local Plan, a draft of which is anticipated in September 2007.

Highland Structure Plan

In terms of retailing, Policy R1 of the Structure Plan establishes that development proposals which consolidate the shopping hierarchy and enhance the role of individual settlements as shopping centres will be supported.

Policy R5 'Town Centre Shopping' sets out that that retail development in town centres will generally be encouraged and that development proposals which undermine the vitality and viability of existing town centres will be resisted.

Skye and Lochalsh Local Plan 1999

Despite its age, the Skye and Lochalsh Local Plan remains the adopted Local Plan and the proposals map of the identifies the application site as lying within an area allocated as 'Existing Uses'. Policy 2.6.1 considers 'Existing Uses' and establishes that applications for development at locations not covered by any specific policy or proposal will be considered on their merits and in such cases the Council will normally seek to ensure consistency with the pattern of existing uses in the area concerned.

Chapter 1 of the Local Plan sets out the strategy for the Local Plan and at paragraph 1.6.6 it advises that the Council will support the provision of additional retailing facilities in Portree, Kyle of Lochalsh and Broadford.

The Local Plan advises that the viability of rural services is continually under threat and that local shops face competition from larger stores and from centres such as Inverness.

The Local Plan establishes that Portree is the main shopping centre for Skye and Lochalsh while Kyle and Broadford cater for more local catchments. The Local Plan states that leakage outwith Skye is low and there is potential scope for the provision of additional convenience floorspace in Portree.

Chapter 2 of the adopted Local Plan sets out the plan's General Policies and in terms of retailing, Policy 2.216 establishes that there will be a presumption in favour of retail development where these are located within or next to village centres, are compatible with future land uses, transport requirements, visual amenity and can achieve satisfactory on site parking and servicing.

Chapter 9 of the Local Plan gives specific consideration to Portree and advises that there is a deficiency in terms of supermarket provision (since this time, the new Co-op store at Dunvegan Road has opened).

The Local Plan advises that commercial and environmental re-vitalisation of the village centre is essential to maintain its viability, particularly in the face of a larger out of centre supermarket proposal (Co-op, Dunvegan Road) and that there is strong local support for expansion of the central shopping area.

The Local Plan establishes that main planning considerations for Portree are:

- To identify opportunities for retail and tourist related development, particularly in the village centre
- To consider measures for enhancing the role of the village centre as a shopping area and tourist attraction
- To outline the potential for redevelopment at Bayfield and expansion of the industrial estate

Policy 9.2.14 establishes that the Council will encourage consolidation, enhancement and expansion of the village centre to maintain its commercial viability and vitality. This includes resisting further proposals for retailing away from the centre where these could damage its viability and jeopardise investment.



Material Considerations

Skye and Lochalsh Local Plan – Approved Committee Draft March 2007

At its meeting of 19th March 2007, the Skye and Lochalsh Area Committee approved Draft Skye and Lochalsh Local Plan for development management purposes. The draft plan has not been the subject of a consultation exercise and will instead be incorporated into a conjoined Local Plan with Lochaber which is due for publication in September 2007.

The application site is identified on the proposals map as lying within an area where no site specific policies are applicable.

The draft Plan gives specific consideration to Portree and advises that it is the island capital and the principal commercial, community facility and employment centre on Skye.

The draft plan advises that allocating industrial land and mixed use expansion opportunities at Bayfield and the Harbour will assist economic expansion. In order to reflect this, the draft local plan allocates a number of sites in close proximity to the village centre with allocation MU3 and MU4 (Bayfield and Upper Bayfield) proposed for mixed use development and the draft plan indicates that retail development would be an acceptable use at this location.

SPP8 – Town Centres and Retailing

Published in August 2006, SPP8 sets out the Government's policy for town centres and retailing. At the outset, SPP8 establishes the Executive's support for town centres, through focusing appropriate growth and development in them.

SPP8 establishes the following key policy objectives for town centres:

- Promote distinct, competitive places and encourage regeneration in order to create town centres that are attractive to investors and suited to the new generation of new employment opportunities.
- Create a climate that enables all sectors of the community to have access to a wide choice of shopping, leisure and other services and for gaps and deficiencies in provision to be remedied.
- Improve the physical quality and sustainability of our town centre environments.
- Support development in existing accessible locations or in locations where accessibility can be improved.

Paragraph 9 of SPP8 establishes that to deliver the above key policy objectives, stakeholders should focus on the policy principles listed in Box 2. Box 2 identifies, that development should be focused in existing town centres by using a sequential approach to development.

Paragraph 15 considers 'Focusing Development in Town Centres' setting out that developers should adopt a sequential approach to selecting sites for all retail and commercial uses. The sequential approach requires that locations are considered in the following order:

1. Town centre sites;
2. Edge of town centre sites;
3. Other commercial centres identified within the development plan;
4. Out-of-centre sites in locations that are, or can be made, easily accessible by a choice of modes of transport.

SPP8 establishes that application of the sequential approach requires flexibility and realism from planning authorities, developers, owners and occupiers to ensure that different types of retailing, which serve different purposes, are developed in the most appropriate location. It also sets out that developers should, when, identifying and developing sites, have regard not only to their own requirements but be sympathetic to the town setting in terms of format, design and scale. This should include the scope for accommodating the proposed development in a different built form, for adjusting or sub-dividing large proposals in order that their scale might better fit with existing development, and for making use of existing vacant and under used land or premises.

SPP8 gives specific consideration to out of centre locations and establishes that these should only be considered if it can be demonstrated that all town centre, edge of town centre and other commercial centre options have been thoroughly assessed and discounted as unsuitable or unavailable; that development on the scale proposed is inappropriate; and that there will be no adverse effect on the vitality and viability of existing centres.

Where development proposals in out of centre locations fall outwith the development plan framework, it is for applicants to demonstrate that more central options have been thoroughly assessed and that the impact on existing centres is acceptable. The development should also be subject to assessment against policy set out in SPP17, Planning for Transport.

In terms of assessing proposed developments, paragraph 38 advises that all planning applications should be rigorously assessed against the development plan and the policy set out in SPP8. Where the proposed development is not consistent with the development plan, the assessment should ensure that all of the following considerations are met:

- A sequential approach to site selection has been used.
- There is no unacceptable individual or cumulative impact on the vitality and viability of the network of centres identified in the development plan.
- The proposal will help to meet qualitative and quantitative deficiencies identified in the development plan;
- The proposal does not conflict with other significant objectives of the development plan or community planning strategies.

SPP8 is accompanied by an Annex that considers types of development and provides guidance so that planning applications can be handled on a consistent basis. The Annex gives specific consideration to 'Food Discount Stores' and states that in land use planning terms, food discount stores are indistinguishable from most other forms of retailing.

Lidl - Application Submission

Prior to assessing the application against the relevant planning policies, we wish to comment on the Retail Impact Assessment (RIA) submitted by Lidl and we have outlined our concerns with this document below.

Lidl Trading Characteristics

The submitted RIA commences by outlining the characteristics of Lidl's operation and the format of its stores. At paragraphs 1.7 and 1.8 it advises that Lidl is not a mainstream food retailer and that it has a number of distinct characteristics that distinguish it from other supermarket retailers. However, National Planning Policy does not distinguish between different forms of food retailing. SPP8 establishes that: *'In land use terms, food discount stores are indistinguishable from most other forms of retailing'*.

The supporting planning statement (paragraph 1.8) also claims that Lidl provide a 'local' shopping facility and it refers to an appeal decision in Inverness in an attempt to support this assertion. However, in March 2006 the Scottish Executive Inquiry Reporters Unit dismissed an appeal by Lidl (Ref: P/PPA/310/107) for the erection of a 1358m² retail unit in Irvine, with the Reporter finding that the proposed Lidl store did not fall within the definition of a local shop in terms of the criteria contained in Policy TC5 of the North Ayrshire Local Plan. The Reporter also clarified that what is considered to be a local store in Inverness differs from that which would be considered to be a local store in Irvine. Likewise, the proposed Lidl in Portree cannot be considered a local store given the limited amount of existing convenience floorspace in the town and given the limited population of the catchment area. While it may draw trade from a limited area, the proposed store will be of more than local significance in the town of Portree.

Turnover of Proposed Store

Having reviewed the submitted RIA we consider that it fundamentally under estimates the turnover of the proposed store and the impact it will have upon existing town centre retailers.

In terms of estimating the turnover of the proposed store, the submitted RIA applies a company average turnover of £2738 per m² for the proposed convenience and comparison floorspace. The retail assessment indicates that this figure is sourced directly from the Mintel Retail Rankings publication.

The submitted Retail Assessment has been prepared using a goods based methodology and follows what retail planning practitioners refer to as the 'step by step' approach. Where a retail assessment is prepared using a goods based methodology, in order to ensure consistency, it is necessary to apply goods based company average turnover data to estimate the turnover of existing floorspace and the turnover of the proposed store. The figures sourced from Retail Rankings are business based company average figures and are not appropriate for use in this instance. When preparing a goods based retail assessment it is important to apply goods based company average turnover figures.

Using the most up to date publicly available information, Lidl have a goods based company average turnover of £3218 per m² for convenience goods and £1336 per m² for comparison goods (Sourced from Retail Rankings and the Verdict Report on Grocery Retailers). Consequently, it is estimated that the proposed store will have a company average turnover of £3.12m, higher than Lidl's estimation of £2.91m.

The effect of significantly underestimating the turnover of the proposed store is that the submitted assessment hides the true impact which the proposal will have, particularly on the existing provision.

Trade Draw

The submitted retail assessment provides an indication of where the proposed Lidl store is likely to draw its trade from and at paragraph 2.36 the retail assessment advises that all of the proposed stores turnover would be diverted from existing shops within the primary catchment.

However, despite this assertion, the assessment explains that the proposal will help to reduce the level of expenditure leaking from Skye and Lochalsh to Inverness and other towns. Indeed, Table 5 of the RIA estimates that £5.7m of convenience expenditure is leaking from the Skye catchment area and that the proposed Lidl foodstore will claw back 20% of this expenditure (£0.49m). This is clearly contrary to the claim earlier in the RIA that the proposed store will draw all of its trade from existing shops within the primary catchment.

Notwithstanding this, we consider that the claim that the proposed store will clawback trade leaving the Skye catchment is both inaccurate and misleading.

In February 2007, the Co-operative Group commissioned an independent household survey to examine the convenience shopping patterns of the Skye catchment population. The household survey was conducted by NEMS Market Research who are very experienced in undertaking surveys of retail shopping patterns and habits in the UK. The survey considered existing convenience shopping patterns in Skye and also sought information on the impact which a discount food retailer would have on shopping patterns were such a store to open in Skye.

Amongst other questions, the household survey asked each respondent which store they do most of their main food shopping in. The results of the survey suggest that there is very limited convenience expenditure leaving the island with only 3.2% of respondents shopping at the large foodstores in Inverness. The findings of the household survey are therefore consistent with the adopted Local Plan which states that expenditure leakage outwith Skye is low.

The household survey commissioned by the Co-operative Group indicates that the trade which does leave the island is associated with trips which are being made to Inverness and Fort William where shoppers are travelling to these centres to make comparison shopping purchases and at the same time are making limited convenience purchases, typically luxury convenience items which are not available on the Isle of Skye.

Lidl's retail assessment estimates that 24% (£5.7m) of convenience expenditure goes to destinations outwith the catchment area in 2006 and that the proposed store will draw back 20% of this expenditure. This assumption is made in the context of Lidl stocking a limited range of goods (Lidl RIA - para 1.9), does not seek to and meet all the requirements of a weekly shop (Lidl RIA - para 1.10).

In light of this, we do not agree with the assertion that the proposed store will claw back expenditure which is leaking from Skye to significantly distant centres. All of the evidence indicates that Lidl's estimates of leakage are significantly over estimated and the £0.49m of convenience expenditure will actually be drawn from existing centres on the island.

In addition to clawing back trade leaving Skye, the submitted RIA indicates that the proposed Lidl store will also draw £0.21m of trade from Kyle and £0.21m of trade from Broadford. This assumption suggests that shoppers currently using stores in Kyle and Broadford will choose to make a round trip of up to 2 hours in order to shop at the proposed Lidl store.

Given the comments made in the RIA regarding the function of the proposed store, it seems unlikely that shoppers would travel a significant distance to a store where they could not undertake their full main food shopping trip and where any saving made on discounted products would be lost from the additional spend required to cover the travel costs of making such a trip.

Indeed, the prospects of shoppers travelling to Portree from Kyle and Broadford is set to become even more unlikely as the Co-operative Group are committed to improving the retail offer of their existing store in Broadford. As you may be aware, the existing Co-op store in Broadford forms part of a larger building which the Co-op have purchased and it is their intention to trade from those parts of the building which they do not currently occupy. An extended Co-op store in Broadford, providing an improved range of products will further reduce the likelihood of shoppers from the south of Skye travelling to Portree in order to undertake part of their main food shopping.

It is also noted that the draft Local Plan allocates land in Broadford for retail development and if this site comes forward it will further strengthen the retail offer of Broadford, making it even less likely that shoppers will choose to travel to a small discount foodstore in Portree.

In light of this, the RIA's combined trade draw of £0.42m from Broadford and Kyle is considered to be excessive and again serves illustrate how the applicant has attempted to hide the true impact which the proposed store will have on Portree.



Furthermore, the RIA assumes that the proposed Lidl will draw £0.1m from stores in Dunvegan and £0.2m from other stores within the catchment. The existing retail provision in Dunvegan is extremely limited and caters almost entirely for people's day to day shopping needs and it is highly unlikely that the proposed Lidl store would draw any trade from Dunvegan or any of the small rural stores which are dispersed throughout the island. We consider that the submitted RIA significantly over estimates the turnover of the existing stores in Dunvegan and if the proposed Lidl were to draw £0.1m from stores in Dunvegan, it would most likely result in their closure. Again, it is evident that the retail assessment has indicated trade draw from an unlikely source in order to deflect the impact of the proposal on Portree.

Our views on trade draw are supported by the findings of the household survey which show very limited use of stores in Dunvegan and where stores are being used, it is for day to day shopping purchases; the type of trade which the proposed store is unlikely to have any impact upon.

It is evident that the submitted RIA attempts to disperse the impact of the proposed store across the majority of the retail floorspace within the catchment area and fails to accurately reflect the likely sources of trade draw.

On the basis that that the RIA overestimates the trade leaving Skye and that the proposed store does not draw trade from Kyle, Broadford, Dunvegan and other destinations, it can be seen that an additional £0.94m will be diverted from Portree, in addition to the £1.52m indicated in Table 5 of the submitted RIA.

Clawback of Leakage:	£0.49m
Kyle	£0.21m
Broadford	£0.21m
Dunvegan	£0.01m
Remainder of catchment	£0.02m
Total	£0.94m

It can be seen that up to £0.94m (over a third of the proposed stores trade) is drawn from locations that are unlikely to be impacted upon by the introduction of a discount retail store in Portree.

The submitted RIA indicates that only £0.02m will be drawn from the independent retailers in Portree; the same amount which the RIA suggests would be drawn from stores in Dunvegan. The convenience provision in Portree is far more significant than that of Dunvegan and in addition to Somerfield and the Co-op, is home to a butchery, a bakery, a wholefood store, a pharmacy/chemist, a fishmonger and confectioners.

Given the proximity of Portree town centre to the application site it is entirely logical to assume that the proposed Lidl store will have larger impact than the £0.2m indicated in the applicant's retail assessment.

Given the low level of trade leakage from Skye, it is evident that the Skye retail catchment is extremely contained and the introduction of new floorspace will simply serve to redistribute existing expenditure and move it around the catchment.

The proposed store will primarily impact upon the exiting floorspace and this will principally be in Portree. The adopted Local Plan advises that commercial and environmental re-vitalisation of the village centre is essential to maintain its viability and that there is strong local support for expansion of the central shopping area. It is evident that the proposed development runs contrary to this aim as it will have a significant impact upon the existing convenience retailers in Portree.

Assessment

The submitted application seeks permission to develop a 1386m² (gross) foodstore in an out of centre location which will promote unsustainable shopping patterns and will not support the town centre.

While it is understood that there is a limited shortfall in convenience floorspace within Portree this does not provide justification for the development of an out of centre foodstore. The Council have commenced with the preparation of a new Local Plan for Skye and the requirement for additional retail floorspace is being addressed through this process.

The proposed supermarket will impact negatively upon the vitality and viability of the town centre and will foster unsustainable shopping patterns. This is furthered by the fact that the proposed store will have its own dedicated car park which will be free and open to the general public. This will further increase the attractiveness of the proposed store and will help to draw trade from the town centre.

The impact of the proposed store will also be exacerbated due to the fact that the catchment area of the proposed store is predominantly rural and has limited convenience shopping provision. Therefore, the proposed Lidl supermarket would draw a significant amount of trade away from Portree town centre.

It is evident that the approval of an out of centre foodstore will only serve to undermine the adopted and emerging Local Plan and will potentially impact upon the ability of town centre sites to be brought forward. This runs contrary to national planning policy in SPP8 which establishes that proposals should not have an unacceptable impact on the vitality and viability of the town centre and should not conflict with other significant objectives of the development plan or community planning strategies.

Summary and Conclusions

In conclusion it has been demonstrated that the application proposal is contrary to the provisions of the approved Structure Plan, the adopted Local Plan, the emerging Local Plan and national planning policy.

The application site is out of centre and the scale of the proposed development is such that it is likely to have an adverse impact on the vitality and viability of the existing shopping facilities in Portree town centre.

Lidl have not offered any meaningful justification to demonstrate that the proposed store will have a 'limited' loss of trade impact on the existing retailers in Portree town centre. Furthermore, it has been demonstrated that the submitted retail assessment is flawed and hides the true impact of the proposed store. Therefore, little weight can be attributed to the applicant's commentary on the trade draw and the anticipated impacts of the proposed development.

We trust that the above points will be given due consideration by the Council and I would be grateful for written confirmation of receipt of this letter. It would also be appreciated if we could be kept informed as to how matters progress.

Yours sincerely



Graeme Laing
Associate Planning Director

