

Appendix 3 – Retail Impact Assessment Update

- A3.1 This updated Retail Impact Assessment (uRIA) has been prepared to address a number of comments made in relation to the original retail impact work (RIA) submitted as part of the application for the proposed retail development at Centre 27 Business Park, Bankwood Road/Woodhead Road, Birstall (Appln ref: 2018/92563) (Centre 27 BP) and included within the Supporting Retail Statement (SRS) at Appendix 21.
- A3.2 The original RIA was reviewed by WYG on the instructions of Kirklees Council and their comments were set out in their letter of the 28 September 2018 (WYG). At the time their principle concern was that the assessment was based on the original Savills' work for the application for land at the junction of Gelderd Road/Bankwood Way, Birstall (Appln ref: 2018/90607) (Bankwood Way), which, by the time of their review had been superseded, in response to the WYG appraisal of that application.
- A3.3 For this RIA update we have therefore used the updated Savills impact assessment as provided in their 'Response to WYG Retail Comments' report, dated August 2018 (Savills), where relevant. This is appropriate as the Council have already reviewed the Savills submission and considered it a sound basis for the determination of the Bankwood Way application.
- A3.4 Given that this latter proposal now benefits from a resolution to grant planning permission for 14,562 sqm of Class A1 retail floorspace it is also appropriate for this uRIA to include the Bankwood Way proposal as a commitment. The impact tables provided within the Savills submission therefore provide the 'no development' scenario for the consideration of the current application. The solus impact of the Centre 27 scheme and the cumulative impacts of both proposals proceeding can therefore be assessed on a consistent basis, as has been noted as required in the Committee Report for Bankwood Way (CR dated 22/11/2018, para 10.29).
- A3.5 However, in the unlikely event that the Bankwood Way scheme is not brought forward – whether for retail or other policy reasons, the use of the Savills assessment remains valid, as it has shown that a retail scheme of almost double the size of the current application is acceptable in retail impact terms. It therefore follows that a smaller scheme providing a similar retail offer in close proximity would also be acceptable when considered on a solus basis, given the considerably lower turnover and thus impacts that would be generated.
- A3.6 This is considered in more detail below. However, it is important to note at the outset that the current application includes an element of convenience floorspace, unlike that at Bankwood Way. As a result, a slightly different approach has had to be adopted for the convenience impact forecasts.
- A3.7 This uRIA is therefore structured as follows:
- The Application Proposal
 - Turnover of Proposed Retail Floorspace
 - Comparison Trade Draw

- Convenience Trade Draw
- Impact on existing centres (including cumulative impacts) and
- Conclusions.

A3.8 For the avoidance of doubt the quantitative impact assessment provided in this report replaces that in the SRS. Where parts of the supporting text however remain relevant, they are not repeated here, but the relevant references are provided.

A3.9 Also, for the avoidance of any confusion, we have adopted the following references for key applications and documents within this report:

- Appln 2018/92653 (the current application) – Centre 27 BP
- Appln 2018/90607 – Bankwood Way
- Kirklees Retail Study Update by WYG dated August 2016 - KRSU
- Committee report for Appln 2018/92653 - CR
- Savills' 'Response to WYG Retail Comments' dated August 2018 - Savills
- WYG letter providing initial comments on the Centre 27 BP RIA dated 28/9/2018 - WYG
- WYG report 'Appraisal of Retail Planning Issues' for Bankwood Way - ARPI
- Savills' original Retail Statement dated February 2018 for Bankwood Way – RS
- Experian Retail Planner Briefing Note 15 (December 2017) - ERPBN

The Application Proposal

A3.10 As set out in the original RIA, the Centre 27 BP application is in outline and seeks permission for up to four retail units with a ground floor area of 4,200 sqm. The applicant wishes to have the potential to include mezzanine floorspace in some or all of these units, and, for the purposes of this assessment, 90% mezzanine cover is assumed. This results in a maximum gross retail floorspace of 7,900 sqm.

A3.11 If the net sales area is assumed to be 80% of the gross, this would equate to 6,320 sqm net of retail floorspace.

A3.12 At the present time the end occupiers of the units are not confirmed and no restrictions on the A1 floorspace are proposed. However, it is anticipated that the scheme would comprise of four retail units, one of 2,322 sqm gross and three of 1,858 sqm gross (including mezzanines).

A3.13 it is considered unlikely that all of the units would be occupied by convenience goods retailers and that any such provision would be limited to either, a single convenience retailer operating from one of the units, or, more likely, one or more of the units being occupied by mixed goods retailers selling a range of goods including food.

A3.14 For the purposes of this uRIA we have therefore considered two trading options:

- a) Option A which assumes that all of the floorspace is devoted to non-food comparison sales; and

- b) Option B which assumes that up to 2,350 sqm gross of floorspace is devoted to convenience sales, leaving 5,550 sq m gross to be occupied by comparison goods retailers. Given that convenience retailers tend to require more warehouse space within their unit, this would mean the scheme providing around 4,440 sqm net of comparison floorspace and 1,650 sqm net convenience, assuming 80% and 70% conversion respectively.

A3.15 This floorspace is summarised in Table A3.1.

A3.16 This compares with the Bankwood Way scheme which proposes 14,562 sqm gross of comparison only retail floorspace, with an assumed net sales area of 11,650 sqm. The proposed conditions agreed by Planning Committee on 22/11/2018 will restrict this to eight units with a gross floor area of between 765 sqm and 2,325 sqm and to the sale of comparison goods only.

Turnover of Proposal

A3.17 As was the case with the original RIA submission, there are no named occupiers for the proposed retail units and, although it is anticipated that the scheme is likely to appeal to retail warehouse/bulky goods and discount operators, no restrictions on the comparison offer is proposed. In undertaking this impact assessment therefore we have sought to use a sales density that reflects the unrestricted A1 uses being proposed and have applied this to both the ground and mezzanine floorspace, even though it is known that the latter floorspace often trades at a lower level.

A3.18 This is consistent with the approach adopted by Savills in relation to Bankwood Way, which WYG consider to be robust (ARPI, para 4.7.3). The assessment provided therefore demonstrates that it is not necessary in retail planning terms to restrict the proposed development to retail warehouse operators.

A3.19 In determining the level of sales densities to use to estimate the turnover of the proposal, we have reviewed the earlier WYG comments in relation to the Bankwood Way (ARPI, paras 4.7.1 – 4.7.5) and the approach subsequently adopted by Savills.

A3.20 The Savills impact analysis is based on an assumed sales density of £4,500 per sqm (Savills, para 3.27) which was the higher of the two levels tested in their original submission.

A3.21 Given that the comparison retail offer proposed at Centre 27 BP is likely to be very similar to that at Bankwood Way and the sales density and resulting projected turnover of the latter have been accepted by the Council (CR, para 10.20), we have adopted the same sales density for the comparison element of this assessment.

A3.22 For the convenience element of Option B, we have adopted an average sales density figure of £10,500, based on the ERPBN which indicates an average sales density at 2023 of £903.8 per sqft (£9,729 per sqm) at 2012 prices (Figure 4a). Converting this to 2018 prices (ERPBN, Appendix 4b) results in an average sales density of £10,489 per sqm for convenience.

A3.23 This is considered a very robust figure and is likely to be a maximum convenience turnover for the scheme.

A3.24 The resulting turnover projections for the two trading scenarios are set out in Table A3.1. The comparison only scheme (Option A) would be expected to have a turnover of £28.44m and a scheme with the maximum 2,350 sqm gross (1,650 sqm net) convenience having sales of £37.31m, of which £19.98m would be comparison sales and £17.33m would be convenience. This compares with a forecast turnover of £52.4m for the Bankwood Way proposal.

Comparison Trade Draw

A3.25 As outlined above, it is considered appropriate that the impact of the proposed comparison floorspace, namely the 6,385 sqm proposed under Option A or the 4,440 sqm proposed under Option B, should be assessed on the same basis as the Bankwood Way scheme.

A3.26 This means:

- Using the same population and expenditure data and assumptions as Savills;
- Assuming a design year of 2023;
- Using 2018 prices; and
- Including the same commitments as Savills (as agreed with WYG).

A3.27 The attached impact assessment is therefore based on that provided by Savills in August 2018, with the relevant data extracted from their Appendices D and E.

A3.28 It also means that we provide two trading scenario assessments:

- Scenario A which Savills refer to as their 'High Sales Density Scenario' (Savills, para 3.28); and
- Scenario B 'Amended Trade Diversion Scenario' which reflects WYG's comments that more trade should be drawn from locations other than Junction 27 (Savills, para 3.31).

A3.29 There is little difference between the two schemes in terms of the type of comparison offer proposed, nor in the size of units that are expected to be developed. In the application scheme these are likely to be between 1,858 sqm and 2,322 sqm gross, whilst the Bankwood Way scheme will be the subject of conditions restricting the unit size to between 765 and 2,325 sqm gross. As a result the expected trade draw pattern would be expected to be similar.

A3.30 On this basis, we have adopted a similar trade draw pattern for the proposed comparison floorspace as Savills assume under their two impact scenarios, albeit with allowance made for the Bankwood Way scheme.

A3.31 Our detailed methodology is set out in the attached tables:

- **Table A3.2** sets out the expected trade draw of the Centre 27 BP proposal under Savills Scenario A, based on the trade draw assumed for the Bankwood Way proposal. This includes an allowance for 12% of the application proposal's turnover to come from the Bankwood Way scheme. This is consistent with the 34% trade draw assumed for the latter from the Birstall Shopping Park and neighbouring retail,

which offers approximately three times as much retail floorspace as the recently committed scheme (see RIA, para A12.52);

- **Table A3.3** which summarises the solus impact of the application proposal under Scenario A and the cumulative impacts as forecast by Savills in their most recent impact assessment;
- **Table A3.4** sets out the expected trade draw of the Centre 27 BP proposal under Savills Scenario B, based on the trade draw assumed for the Bankwood Way proposal. This includes an allowance for 6% of the application proposal's turnover to come from the Bankwood Way scheme, consistent with the reduced trade draw assumed for the latter from the Birstall Shopping Park and neighbouring retail, of 19%;
- **Table A3.5** which summarises the solus impact of the application proposal under Scenario B and cumulative impacts as forecast by Savills in their most recent impact assessment; and
- **Tables A3.6 and A3.7** which provide a summary of the solus and cumulative impacts under Scenarios A and B respectively for those town centres and key destinations previously identified by Savills (Appendix D, Table 67 and Appendix E, Table 66).

Convenience Trade Draw

- A3.32 As indicated above, unlike the Bankwood Way proposal, the current application for Centre 27 BP seeks planning permission for Class A1 retail use, including an element of convenience floorspace, most likely as an ancillary offer within mixed retail outlets. Trading Option B therefore allows for up to 2,350 sqm gross/1,650 sqm net of convenience floorspace within the scheme, with a consequential reduction in the comparison offer.
- A3.33 The effect of including an element of convenience floorspace was considered in the original SRS and no specific comments were made by WYG on the approach adopted at that time. However, as the comparison assessment has now been updated inter alia, to include new population forecasts, expenditure assumptions, price base and a design year of 2023, it is appropriate that the convenience impact assessment is updated in a similar way.
- A3.34 However, a slightly different approach is required to for the convenience assessment, as the Savills assessment does not consider convenience trading. Instead, as in the original RIA, we have sought to base the analysis on the WYG Retail Study undertaken for Kirklees Council in 2016, as the most recent available study of convenience shopping behaviour and performance.
- A3.35 The convenience impact assessment has therefore been undertaken as follows:
- **Step 1** has been to update the population forecasts from the 2021 figures provided in the KRSU to 2023 as used in the comparison assessment. The relevant figures are set out in Table A3.8;

- **Step 2** has been to update the convenience expenditure per head, including updates to the proportion of trade that will go to Special Forms of Trading (SFT). This has been done by firstly updating the price base to 2018 using the latest ERPBN. The 2014 base figures have then been projected forward to 2023 and then the most recent estimate of SFT has been applied. These calculations are provided in Table A3.9; and
- Updated available expenditure forecasts by Zone are then provided for 2023 in Table A3.10.

A3.36 **Stage 3** requires the 'no development' position to be assessed, which requires establishing the market shares of existing stores at the design year of 2023. This data is not directly available from the KRSU and needs to be based on the available expenditure calculated in Stage 2. Therefore existing market shares for the various stores and centres identified in the KRSU have been calculated from the store turnovers (Main and top-up shopping) set out in KRSU, Table 4. This has been done by setting out the actual turnover of destinations in Table A3.11 and then calculating the market shares for each in Table A3.12.

A3.37 The turnover of the stores and centres in 2023 has then been calculated using the updated available expenditure information in Table A3.10, with the results set out in Table A3.13.

A3.38 These tables are based on two assumptions, both of which are unchanged from the original RIA:

- i. Any convenience offer is likely to have a more restricted catchment than the comparison offer, with sales from further afield limited to ancillary purchases as part of a comparison shopping trip, given the expected quantum and nature of the convenience floorspace proposed.

The original RIA identified a main catchment area of Zones 4, 8, 9 and 10 of the KRSU study area (RIA, para A12.21) and, as before the convenience impact analysis has been restricted to the stores that attract a substantial proportion of their trade from these areas. This is clearly evidenced from Table A3.12 which shows the stores listed account for in excess of 97% of convenience expenditure in each of these zones; and

- ii. No changes to the 2016 market shares are expected as a result of convenience commitments in the study area.

This is based on our analysis of commitments as explained in the original RIA (see RIA, para A12.32 – A12.36), which concluded that the convenience proposals in Zones 4, 8, 9 and 10 were generally small scale and at worst, would result in small impacts on existing convenience stores in the immediate locality (see Table A3.14).

As a result, the market shares of existing stores in the Study area are unlikely to change noticeably from those seen currently. Therefore these current shares are considered appropriate to reflect the 'no development' scenario.

- A3.39 The turnover of the convenience floorspace has already been estimated (see Table A3.1) and thus **Stage 4** of the assessment is to determine how the proposal will draw trade from the existing convenience stores on the four zones.
- A3.40 This has been undertaken on a zonal basis, with the expected trade draw of the proposal by zone first being assessed. To ensure a robust approach, it is assumed that all the convenience trade will come from the primary catchment area ie Zones 4, 8, 9 and 10 with no allowance for inflow from the rest of the KRSU study area or further afield.
- A3.41 This is extremely unlikely in practice, with some inflow likely as a result of ancillary purchases, but represents a worst case scenario and thus a very robust approach to the convenience impact assessment.
- A3.42 This trade draw is set out in Table A3.15. This shows that the market penetration of the convenience offer will be low, with the proposal attracting between 2.3 and 4.9% of the available expenditure in an individual zone.
- A3.43 The actual trade draw from stores within these zones has then been calculated based on the current market shares set out in Table A3.12 and the resulting trade draw is set out in Table A3.16.

Impact on existing centres

- A3.44 The national and local policy requirements relating to impact require a consideration of:
- The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
 - The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment, as applicable to the scale and nature of the scheme (NPPF, para 89).
- A3.45 The first of these policy tests was considered by Savills as part of their Bankwood Way submission, and they concluded that the qualitatively different nature of the application proposal compared with the identified extant consents within the primary catchment area of Zones 4, 8, 9 and 10, meant the proposal would be unlikely to have a significant adverse impact investments (CR, para 10.12). WYG agreed with conclusion and thus the Bankwood Way proposal was considered to be in accordance with the first part of paragraph 89 of the NPPF.
- A3.46 Given that the current application provides a similar retail offer but on a considerably smaller scale, it follows that this application would also not impact on any existing, committed or planned investments within the primary catchment area. The proposal therefore will also accord with the first part of paragraph 89 of the NPPF.
- A3.47 With regard to the second part of the NPPF policy requirement, the methodology adopted in this assessment is consistent with the Bankwood Way assessment with respect to the comparison floorspace, and the smaller scale of development means that, when considered on a solus basis, the proposal will have a smaller impact than the recently permitted scheme. This can be clearly seen by comparing the solus impacts on key town centres set out in Tables A3.6 and A3.7 for the comparison only scheme and summarised below:

Trade Diversion and Impact Under Scenario A

Destination	Diversion to Commitment		Diversion to Bankwood Way Proposal		Change after Commitments and Bankwood Way		Diversion to Centre 27 BP Proposal		Change after Commitments, Bankwood Way and Centre 27 Proposal	
	£m	%	£m	%	£m	%	£m	%	£m	%
Huddersfield Town Centre	-3.2	-0.7%	-6.1	-1.3%	-9.4	-1.9%	-2.9	-0.6%	-12.3	-2.5%
Cleckheaton Town Centre	-0.2	-0.9%	-1.0	-4.7%	-1.2	-5.7%	-0.5	-2.4%	-1.7	-8.1%
Dewsbury Town Centre	-0.8	-0.9%	-3.0	-3.2%	-3.9	-4.0%	-1.5	-1.6%	-5.4	-5.6%
Batley Town Centre	-0.3	-1.1%	-1.4	-5.6%	-1.6	-6.7%	-0.7	-2.9%	-2.3	-9.6%
Morley Town Centre	-0.2	-0.9%	-1.2	-5.0%	-1.4	-5.9%	-0.6	-2.5%	-2.0	-8.5%
Heckmondwike Town Centre	-0.1	-1.0%	-0.6	-4.4%	-0.8	-5.5%	-0.3	-2.3%	-1.1	-7.8%

Trade Diversion and Impact Under Scenario B

Destination	Diversion to Commitment		Diversion to Bankwood Way Proposal		Change after Commitments and Bankwood Way		Diversion to Centre 27 BP Proposal		Change after Commitments, Bankwood Way and Centre 27 Proposal	
	£m	%	£m	%	£m	%	£m	%	£m	%
Huddersfield Town Centre	-3.2	-0.7%	-1.3	-0.3%	-4.5	-0.9%	-0.7	-0.1%	-5.2	-1.1%
Cleckheaton Town Centre	-0.2	-0.9%	-1.0	-4.6%	-1.2	-5.5%	-0.5	-2.5%	-1.7	-8.0%
Dewsbury Town Centre	-0.8	-0.9%	-4.4	-4.6%	-5.3	-5.5%	-2.2	-2.5%	-7.5	-8.0%
Batley Town Centre	-0.3	-1.1%	-0.9	-3.8%	-1.2	-4.9%	-0.5	-2.1%	-1.7	-7.0%
Morley Town Centre	-0.2	-0.9%	-1.3	-5.4%	-1.5	-6.3%	-0.6	-2.9%	-2.1	-9.2%
Heckmondwike Town Centre	-0.1	-1.0%	-0.8	-5.4%	-0.9	-6.4%	-0.4	-3.0%	-1.3	-9.4%

- A3.48 Given that the Council agreed that the market share attracted to existing centres was unlikely to be altered to a level that would have a significant adverse impact on the trading characteristics of these existing centres by the Bankwood Way proposal (CR, para 10.27), it follows that the current application when considered on a solus basis would also not have a significant adverse impact if developed as a comparison only scheme.
- A3.49 If the scheme were developed with a convenience element, the comparison turnover would be substantially reduced (from £33.98m to £19.98m) as would the resulting impacts. The comparison element under trading option B would therefore also be acceptable in retail impact terms.
- A3.50 The convenience impacts are set out in Table A3.16 and show that the majority of the expected trade draw would be from the national multiple grocers operating in Batley, Cleckheaton and Heckmondwike. However, a review of store performance relative to benchmark (KRSU, Appendix 3, Table 5) indicates many of the affected stores are currently trading considerably in excess of benchmark sales.
- A3.51 Of those stores located in town centres, only the Tesco at Batley is trading below benchmark, but with a convenience turnover in excess of £56m in 2016, the loss of up to £2.11m sales as a result of the proposed development would not affect the long-term trading of the store. Any impact on the town centre as a whole would therefore be limited and certainly could not be considered to be significantly adverse.

Cumulative Impacts

- A3.52 The remaining policy consideration is whether the cumulative effect of the current application together with extant consents and the recent Bankwood Way proposal could be considered to have a significant adverse impact on any of the town centres in the catchment area.

- A3.53 Given the lack of major convenience proposals in the area (see above), this is clearly not a concern for the convenience element of the current application. It also follows that, if the comparison only scheme is considered acceptable (Option A), Option B would also pass the policy test, as the comparison turnover and consequential cumulative impacts would be less.
- A3.54 As the Tables above indicate, the greatest cumulative impacts will be seen at Cleckheaton, Batley, Morley and Heckmondwike, with cumulative impacts increasing from between 5% and 7% to between 8% and 10% depending on the Trade Draw Scenario.
- A3.55 This additional trade draw is less than one years growth in available comparison spend (ERPBN, Figure 1a), which at 2023 is predicted to be +3.2% per annum. Any additional impacts as a result of the current application would therefore be offset by increased spend in the area within a short period (less than a year). As such it cannot be concluded that the additional impacts from the current proposal would be significantly adverse, given the recent decision of the Council in relation to Bankwood Way.

Conclusions

- A3.56 This updated Retail Impact Assessment has been prepared to address a number of comments made in relation to the original retail impact work (RIA) submitted as part of the application for the proposed retail development at Centre 27 Business Park, Bankwood Road/Woodhead Road, Birstall (Appln ref: 2018/92563) (Centre 27 BP) and included within the Supporting Retail Statement (SRS) at Appendix 21.
- A3.57 It has sought to consider the effect of approving the current application for the development of 7,900 sqm gross of A1 floorspace at the Centre 27 Business Park, including up to 2,350 sqm gross of convenience floorspace.
- A3.58 The comparison impact assessment is based on the updated Savills impact assessment as provided in their 'Response to WYG Retail Comments' report, dated August 2018 (Savills), for the recently approved scheme at Bankwood Way (Appln ref: 2018/ 90605). This is appropriate as the Council have already reviewed the Savills submission and considered it a sound basis for the determination of the Bankwood Way application.
- A3.59 Given that this latter proposal now benefits from a resolution to grant planning permission for 14,562 sqm of Class A1 retail floorspace it is also appropriate for this uRIA to include the Bankwood Way proposal as a commitment.
- A3.60 The resulting retail impact assessment has shown that the solus impact of the proposed Centre 27 Business Park scheme will be less than that generated by the recently approved proposal, given the smaller amount of floorspace being proposed. Any development at the Business Park would also be expected to attract a substantial proportion of its trade from the Bankwood Way scheme.
- A3.61 Given that the latter has been considered to acceptable in retail policy terms, in that it would not have a significant adverse impact on the vitality and viability of existing town centres within the primary catchment area, nor on investment within them, it follows that a smaller scheme with a similar offer on a neighbouring site would also be acceptable.

- A3.62 This assessment has also shown that any convenience impact will primarily be felt by the large foodstores operated by the national multiples. Many of those in town centres are currently trading above company benchmark and the forecast impacts of a maximum £2.11m or 3-4% would not affect the trading performance of any of these stores.
- A3.63 As such the inclusion of an element of convenience floorspace within the proposal would also be acceptable in retail policy terms.
- A3.64 Finally it has been shown that the cumulative effect of this proposal together with existing comparison commitments and the Bankwood Way proposal would be to increase a number of town centre impacts by approximately 2-3%. This is less than the forecast annual growth in comparison expenditure in 2023 (3.2%) and as such any additional impacts as a result of the current application will be short-lived.
- A3.65 The proposal will therefore not have a significantly adverse impact whether considered on a solus basis or cumulatively with existing consents. There is therefore no retail planning reason why the current application should not be permitted or for the imposition of planning conditions other than to limit the convenience floorspace to the 1,650 sqm net that has been tested in this assessment.