



Supplementary Retail Impact Assessment 2019/91556

New Hey Road, Huddersfield



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Planning Potential Ltd**Harrogate**

14-15 Regent Parade
Harrogate HG1 5AW
T: 01423 502115

Report Author: Claire Temple

claire@planningpotential.co.uk

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1. Introduction

- 1.1. This report has been written in response to a review by Cushman and Wakefield on the retail impact assessment by Planning Potential Ltd in support of application 2019/91556. Cushman and Wakefield were also instructed to carry out a cumulative assessment. In making this assessment Cushman and Wakefield have carried out a desk-top study of the analysis carried out by Planning Potential.

2. Points of Agreement

- 2.1. We are pleased that there are a number of areas where we are in agreement which are explored further below.
- 2.2. The approach taken to undertake healthchecks is agreed, albeit one centre was identified, Birchenclyffe as absent. This has now been added along with Milnsbridge.
- 2.3. The catchment area is agreed.
- 2.4. The design year of 2022 is agreed (we note Lichfields have used 2023 for their assessment). The proposed opening date would be 2020/21, For the benefit of the reader, our assessment has been amended to 2023.
- 2.5. The net to gross ratio used is realistic – the internal format of an Aldi rarely changes from store to store.
- 2.6. It is agreed with Cushman and Wakefield that the turnover figures within the Councils Retail Study should be treated with caution. We agree with this position and have highlighted areas in our assessment below where we believe the figures may not be accurate.
- 2.7. There is expenditure growth within the catchment area. This is evident from both the Councils retail study and the assessment carried out on behalf of Lidl by Lichfields.

3. Points of Clarification / Additional Work

- 3.1. This section of the report seeks to address the issues raised by Cushman and Wakefield within their review of the Aldi submission.

Convenience/ Comparison Split

- 3.2. As noted within the assessment, paragraph 5.3 of the Planning Statement sets out the quantum of floorspace proposed. The sales area equates to 1,315sqm. Of this, we can confirm that 20% of the floorspace is for comparison good, albeit this only accounts for 15% of total sales. The net sales area excludes checkouts and circulation space. If the Council choose to condition the amount of floorspace then this should be done on the basis of the gross sales area or the condition should specifically refer to the exclusion of checkouts and circulation area.

Impact on Town Centre Investment

- 3.3. There are no in centre sites falling within the catchment area identified for retail or mixed use development within the Local Plan Allocations and Designations adopted in 2019.
- 3.4. There are two edge of centre sites allocated for mixed use development; 'Southgate' and 'Trinity Street'. This planning application will not impact the deliverability of either of the sites. A discount food store is proposed at Trinity Street, however the proposed end user, Lidl have also made an additional application for an additional foodstore on New Hey Road.
- 3.5. It is unlikely that the introduction of a food store at Oakes Mills will have any detrimental impact on town centre investment. There is often an argument to suggest that the introduction of an edge or out of centre supermarket will diminish the opportunity for linked trips. We do not consider that this is the case, particularly in relation to the Aldi business model where the variety of goods are restricted.
- 3.6. Linked trips can also occur between a foodstore and a centre even when that trip is not undertaken by foot, a position supported by Inspectors at appeal.
- 3.7. On 8th October, a Principle Planner from the Planning Policy Group confirmed that there were no town centre investment proposals to be considered.

Healthchecks

- 3.8. Healthchecks of Birchencliffe and Milnsbridge have been carried out and attached at **appendix 1**. The healthchecks of both these centres confirm that they benefit from high levels of vitality and viability.
- 3.9. Birchencliffe has above average convenience provision (33%) and no vacancies.
- 3.10. Milnsbridge already benefits from an Aldi store, has slightly above average convenience provision and above average vacancy rate (16% compared to a national average of 11.45%).

- 3.11. The proposals could potentially impact these centres, however, given the composition (Milnsbridge has a strong leisure presence) we consider it unlikely that any centre will suffer to the extent that could be considered significant.

Sales Density Figures

- 3.12. The sales density figures have not been disputed by Cushman and Wakefield, however, we feel that it is necessary to offer further explanation.
- 3.13. A revised retail impact assessment has been attached at **appendix 2**. Within this, table 1 outlines the convenience and comparison turnover of the proposals.
- 3.14. For clarity, it should be noted that these have been adjusted from Mintel to take into account actual floorspace data from Aldi (Mintel underestimate this). In addition to this, the figures have been adjusted to reflect the efficiency of the floorspace. The amount of floorspace taken up for convenience goods is 80% but accounts for 85% of turnover, therefore the floorspace is more efficient and thus a higher turnover figure should be attributed. This is considered to be a robust position.
- 3.15. The net floor area was assessed at 1,315sqm which includes net floor area from which goods are not sold i.e. till and circulation space. Cushman and Wakefield are correct in stating that the actual floorspace taken up by the sale of goods is 1,146sqm. Clearly 1,315sqm would provide a worst case scenario, so we have adjusted this to 1,146sqm, however, the wording of any floorspace restriction would need to specify that this excludes checkouts and packing area.
- 3.16. The turnover of the store is included within the retail tables at **appendix 2**.

Price Base

- 3.17. The price base has been amended to 2017.

Trade Diversion

- 3.18. Both Cushman & Wakefield and Planning Potential are in agreement that trade diversion will take place on a like for like basis. On this basis, it is a common sense approach that the majority of food shopping trips will be diverted from other main food provision.
- 3.19. A recent survey of the Bingley store customers demonstrates that customers were previously shopping at main food supermarkets. A case study is attached at appendix 3.
- 3.20. In addition to this, Aldi have provided trade draw figures for impact on existing stores within a similar distance to the Aldi's at Milnsbridge, Beck Road and Elland. These stores have been selected as they were in areas that had limited local access to main food shops (albeit smaller convenience stores were available).

New Store	Trade Store	Draw Distance between Stores	% Trade Drawn
Idle	Shipley	2.5 miles	31.83

Idle	Bradford	3.3 miles	20.55
Goldthorpe	Wath	3.2 miles	28.83
Goldthorpe	Barnsley	5.3 miles	12.44
Park Road, Glasshoughton	Castleford	2 miles	21.13
Park Road, Glasshoughton	Pontefract	2.2 miles	9.79

Source: Aldi data 2019.

- 3.21. Whilst we strongly believe that the majority of trade will be from existing Aldi stores and other large supermarkets, we have, as requested, undertaken some sensitivity testing and have included the smaller convenience stores within our trade draw analysis.

Assessment of Impact

- 3.22. A sensitivity check cumulative impact assessment has been undertaken based on both the Aldi and Lidl coming forward. The assessment is attached at appendix 2.
- 3.23. A detailed analysis of the turnover of the stores within the catchment area is attached within the retail tables at appendix 2. This data has been taken directly from the Councils Retail Study with adjustments made for a price base of 2017 and projected forward to 2023 in line with the practice guidance.
- 3.24. As noted above, some caution must be taken with these figures. Of particular note are the centres from which Cushman and Wakefield have advised that they would wish to see further analysis of trade diversion. It should be noted in all these cases, no main-food shopping trips were recorded on the household survey. This is important as it demonstrates that they are mainly used for top-up shopping by people living close to the site or passing by in the car. Expenditure per trip is far less than a main food trip and catchments are much smaller.
- 3.25. The function of these shops is different to Aldi which will be mainly used for main food shopping trips. We can accept that some top up trips do occur to Aldi and thus the assessment has been adjusted accordingly.
- 3.26. A revised solus impact assessment has been undertaken in line with the adjustments suggested by Cushman and Wakefield.
- 3.27. A cumulative assessment has also been undertaken with the Lidl store. The impacts in terms of centres (which is essentially what is being assessed in planning policy terms) has been directly taken from Lidl's own assessment.
- 3.28. The rest of the trade draw from Lidl has been assessed in line with the assumptions made about the Aldi proposal.
- 3.29. Again these figures should be taken with caution.

- 3.30. Firstly if both stores were to be granted planning consent, it is unlikely that they would trade at benchmark due to the competition between the two stores, therefore the cumulative impact would technically need to be adjusted to reflect this.
- 3.31. The household survey figures which provide a picture of shopping patterns are susceptible to inaccuracies. In particular, it is difficult to record top up shopping accurately and people are becoming less loyal and shopping around more. The Lidl figure is also likely to be underestimated; Lidl would not be proposing a relocation and a new store if their existing store were under trading.
- 3.32. There are no significant impacts in terms of the assessment on the Aldi store alone. When coupled with the Lidl proposal, on paper there are some centres that would suffer from more significant impacts. It is for the decision maker to determine whether both proposals should come forward. However, the assessment that has been undertaken is, in our opinion, robust and provides a worst case scenario. In reality, it is unlikely that existing convenience shops within local centres will close. This has been evidenced in case studies undertaken on behalf of Aldi (attached at appendix 3) and provides evidence on the real impacts on local shopping facilities.
- 3.33. Full health checks have been carried out at the centres within the catchment area. All appear to be trading well with a good range of shops and services.
- 3.34. As well as looking at trade diversion, the positive impacts of the proposal must also be considered in balance. The positive benefits include;
- A viable brownfield regeneration opportunity,
 - Significant investment,
 - Reduction in the need to travel,
 - Choice and competition,
 - Potential for linked trips to local shops and services.
- 3.35. Local shops closest to the proposal are also likely to benefit from linked trips. This has also been evidenced in case studies carried out on behalf of Aldi. Aldi is not a one-stop shop. They do not sell cigarettes and newspapers and only sell a limited range of branded goods. They also do not have concession units or a fresh bakery. This provides the opportunity for linked trips to other convenience stores as well as benefiting other shops and services.
- 3.36. The comparison impact has not been assessed. This is due to the fact the turnover is relatively small and the majority of goods change on a weekly basis. On this basis, impact is dispersed and would not have any significant impact on a single centre.
- 3.37. The area is benefiting from growth with over 1,500 new dwellings committed within the catchment area. This equates to nearly £3m of expenditure by 2026. The area lacks main food shopping provision. More facilities including choice and competition is required to support this growing population.

4. Policy Designation

- 4.1. The application site is unallocated. Whilst there is some employment use on the site at present this is unlikely to continue in its current form. Supporting evidence has been provided to demonstrate that the premises are in significant need of investment to bring them up to the required standards for commercial occupation. In order to achieve an energy efficiency rating of 'E', the rents required to make this viable far exceed available premises in the area.
- 4.2. In contrast the Lidl proposal is on a site that benefits from an allocation for residential development. In addition to this, there was a resolution to grant planning permission for 32 new homes subject to a section 106 agreement. This application was subsequently withdrawn.
- 4.3. The Kirklees Housing Delivery Action Plan 2019 highlights that housing delivery is currently at 75%. Whilst this passes the housing delivery test, it is below the threshold and thus an action plan has been put in place. The expected target is 95%. Falling short of housing delivery targets presents a serious threat to the Council's ability to maintain a five year supply of deliverable sites. Permitting development contrary to the Local Plan so soon after adoption should be resisted as it comprises the wider aspirations of the plan. This position is supported by numerous statutory consultees.
- 4.4. The recently adopted Local Plan sets out a requirement of 1730 homes per annum. The annual monitoring report highlights that there were 983 completions in 16/17 and 1330 in 17/18 this falling short of the requirement set out in the Local Plan.
- 4.5. The Council are committed to improving the delivery of new homes in Wakefield and as such the Oaks Mills site provides a policy compliant alternative for a new foodstore to support housing growth. In addition to the justification throughout this supplementary statement, weight should also be given to the fact that the proposal does not represent a departure from the Local Plan.

5. Conclusion

- 5.1. The retail assessment of the proposal have been adjusted in line with comments from Cushman and Wakefield.
- 5.2. There are no individual impacts from the proposal that could be regarded as significant.
- 5.3. The proposals also offer a number of positive benefits including the regeneration of a brownfield site, significant investment, choice and competition for main food shopping, the reduction in the need to travel and employment opportunities.