# Robert Halstead

Chartered Surveyors & Town Planners

N.C. Willock MRICS MRTPI

Office G of H, Bridge Mills, Huddersfield Road, Holmfirth, HD9 3TW

Tel: 01484 686322 e mail: nick@roberthalstead.co.uk

Planning Development


---

## Retail Impact Assessment: Proposed Sainsburys Convenience Retail Store - Land off Leeds Road / Huddersfield Road, Birstall, Batley, WF17 9AA

Policy and Practice Guidance Background

Paragraph 90 of the NPPF requires a retail impact assessment for retail and leisure developments outside town centres, which are not in accordance with an up-to-date Development Plan and are over a default threshold of 2,500sq.m (in the absence of a locally set threshold). It states that assessments should address:

i. 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
ii. the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made.

Local Plan Policy LP13 requires out-of-centre proposals within 800m of a district or town centre and that are greater than 300sq.m gross floorspace, to be accompanied by a Retail Impact Assessment.

In this case, the gross floorspace of the proposed Sainsbury's store is 408 sq.m and so a Retail Impact Assessment is required. The policy states that the RIA shall be "reflective of the scale, role and function of the proposal" and as such, this RIA sets out a proportionate level of analysis and detail to the proposals.

Catchment Area

This retail impact work is conducted within the parameters and data collected under the Council's (WYG) Kirklees District Retail Survey 2016 (as updated). For this scale of proposal in particular, it would be wholly disproportionate to conduct new household surveys on shopping patterns etc.

Birstall is located within Zone 9 of the Kirklees District Retail Survey, which covers the district / town centres of Birstall and Batley respectively.

The proposed development's catchment area is proposed to be Zone 9 because:

a) The proposed store is small in scale and would perform a top-up role, most likely attracting shoppers within a close proximity.

b) Evidence from the Council's Retail Survey (all small samples) illustrated that the current Tesco convenience store in Birstall attracts 88% of its Zone 1 – 10 trade from Zone 9, and the Co-op attracts 100%.

Whilst it is noted that the Kirklees Retail Study household survey revealed that top-up convenience goods shopping patterns for Zone 9 residents included destinations in Zone 4 (and to a very limited extent in Zone 8), this reflects the fact that the western boundary of Zone 9 brings some parts of its population within close proximity to shopping facilities in Zone 4 in particular.

Time frame for assessing impact

Planning Practice Guidance states: [1]

*The design year for impact testing should be selected to represent the year when the proposal has achieved a 'mature' trading pattern. This is conventionally taken as the second full calendar year of trading after opening of each phase of a new retail development, but it may take longer for some developments to become established.*

In this case, it is assumed that the store will open within two years' time (subject to planning) and therefore will achieve a mature trading pattern in 2026.

Impact on Existing, Committed and Planned Public and Private Investment

There are no known existing, committed or planned investments known within Birstall district centre, or any local centres in Zone 9.

Impact of the Proposal on Town Centre Vitality and Viability

The key test outlined in Paragraph 91 of the NPPF is that of "significant adverse impact." In the event this level of impact is deemed to be reached, the NPPF recommends that planning permission should be refused.

The Planning Practice Guidance states [2]:

*Any conclusions should be proportionate: for example, it may be sufficient to give a broad indication of the proportion of the proposal's trade draw likely to be derived from different centres and facilities in the catchment area and the likely consequences to the viability and vitality of existing town centres.*

A proportionate approach is adopted in this case given that the proposed retail development in question is:

(a) not of a significant scale, being only 408 sq.m gross and therefore relatively small in scale (and significantly below the national threshold of 2,500 sq.m);

(b) located in an edge of centre location and is therefore likely to have some positive spin-off trade benefits for Birstall district centre;

---

[1] PPG Town Centres & Retailing Paragraph 018

[2] Paragraph 018

The comparison goods element of the proposals is only 5% of the net sales area (approx. 12.5 sq.m). It is therefore considered immaterial and is not proposed to be analysed as part of this RIA.

<u>Health of centres</u>

Policy LP13 (Town centre uses) in the Local Plan categorises Birstall as a District Centre. The role and function of a District Centre is defined as providing a range of shopping for everyday needs including being the focus for food and drink.

Birstall District Centre is likely to be most affected in terms of trade diversion due to the proximity of the proposed store, and its nature, whereby it will compete with existing top-up convenience goods retailers such as the Tesco on Smithies Lane, and the Co-op on Low Lane. The out-of-centre M & S Simply Food, located at the nearby Birstall retail park at J27 of the M62, is another very close by competing top-up food shopping destination.

A recent survey of Birstall centre [3] revealed the following:

a) There are just two (small) vacant units in the centre from a total of 66. Bearing in the mind the recent Covid Pandemic, this demonstrates a healthy and significantly below average vacancy rate of just 3%.

b) In terms of diversity, the range of uses within the centre is highly varied and businesses are mostly independent.

c) The overall environmental quality of Birstall is considered to be good and attractive.

d) Footfall was considered to be relatively good and healthy as the time of the assessment.

e) Car parks exist within the centre and for pedestrians, the centre is easily accessible from a sizeable residential catchment area within close proximity. Crossing facilities are very good within the centre (and across main roads leading to / from the centre – e.g. outside the proposals site). Finally, good bus services (281 and 283) are able to drop off / pick up passengers right in the centre.

<u>Impact analysis</u>

With reference to the attached impact assessment table at Appendix 1, existing shopping patterns [4] for top-up convenience goods are detailed in Columns 2 and 3. Out-of-centre individual stores with figures of less than 5%, and those outside the Kirklees district, are not detailed individually.

Columns 4 and 5 detail the survey derived and benchmark turnover figures for individual stores and centres, again derived from the Kirklees Retail Study. Levels of alleged over/under trading are then detailed at Column 6.

Based on these identified shopping patterns, it is assumed that 89.1% of the proposed stores trade will originate from within Zone 9.

---

[3] February 2022 - see accompanying Retail Sequential Test Assessment

[4] Kirklees Retail Survey 2016 (2017 republished version)

Given the intended occupier is Sainsbury's, sales density figures have been sourced for the specific retailer at the year 2021, and then projected forward to the impact year of 2026.

The net sales area is taken from 90% of the gross sales area on the proposed plans – taking into account till space, circulation space etc. 95% of this floorspace is assumed to be convenience goods floorspace. [5] The total annual projected income at 2026 is therefore calculated on this basis.

It should be noted that given issues of proportionality in relation to these relatively small scale proposals, in particular the added complexities of extrapolating data so far in advance following the publication of the Kirklees Retail Study (i.e. extrapolating up to ten years forward), 2026 figures for available expenditure and store / centre trading levels have not been included within this assessment.

However, given that available expenditure and sales densities are likely to have increased over this period [6], the impacts analysed are considered to be extra robust, particularly given that the trading levels of the proposed store have been increased and extrapolated forwards to 2026, based on increased sales densities.

The predicted impacts are detailed in Columns 7 & 8. Percentage trade diversion figures have been included for both survey derived and benchmark turnover figures of stores/centres, again taken from the Kirklees Retail Study.

The key points arising from this analysis are as follows:

1) The relatively small scale and top-up nature of the proposals means that the trade diversions predicted from larger stores in Batley, Cleckheaton and Batley are represented by small percentages. A number of these bigger stores are also judged to be over-trading compared with benchmark trading levels.

2) The distances from the proposed store from Batley and Dewsbury centres and the low levels of current top-up expenditure from Zone 9 residents' to these destinations (likely from residents in close proximity to these centre) means that levels of predicted trade diversions are low.

3) The main impacts are likely to be on the like-for-like competing top-up convenience goods retailers in close proximity – i.e. the Co-op and Tesco in Birstall, and the out-of-centre M & S at Birstall retail park (the latter not being protected under retail planning policy).

4) In this regard, trade diversion percentages based on benchmark turnovers are predicted to be:

   - 2.5% for the Co-op, Low Lane
   - 14.3% % for Tesco, Smithies Lane
   - 7.3% for Birstall 'local shops'
   - 6.7% overall for Birstall District centre

---

[5] Source Sainsburys Supermarkets UK

[6] See data below and also supported by published evidence from other recent convenience good retail proposals in the area.

5) It should be noted that there are sometimes wide differences between survey-derived and benchmark trading figures for stores in Birstall. This is perhaps explained by the very small sample sizes from the Kirklees Household Survey – for example only 2 respondents from all zones said they shopped at the Co-op, and only 8 in total for the Tesco Express. This brings into question the accuracy of the survey-derived turnover figures – in particular the Co-op's trade diversion based on benchmark trading levels would be significantly lower compared with the potentially inaccurate survey-derived diversion figure. Tesco, on the other hand, would receive a lower impact based on survey-derived data.

6) Furthermore, with the household survey sample size for Tesco only being 8, the percentage of available Zone 9 expenditure at Column 3 of the impact table could be inaccurate. The suggestion that 75% of top-up shoppers go to Tesco vs only 25% to the Co-op could be too high a ratio (indicating that the trade diversion impact on Tesco could be over-stated at 14.3%, whereas the impact in the Co-op a little under-stated at 2.5%.

7) Nevertheless, the overall blended impact on Birstall centre as a whole (including local shops) is predicted to be 6.7%. It should also be borne in mind though that in connection with Birstall 'local shops', these may not actually represent specific top-up convenience goods retailers, and so overall impacts on the centre as a whole could be lower.

8) With regard to the M&S at Birstall retail park, this is most likely to be the closest competitor to the proposed Sainsbury's store, both in terms of the type of food offer, and the fact it is similarly located adjacent to the main A62. As such, a reasonable proportion of trade diversion is assigned from this out-of-centre store, potentially lessening the impacts on in-centre stores in Birstall.

Other positive factors in connection with retail impact & consumer choice

NPPF Paragraph 91 states that local consumer choice is a key issue when assessing impacts on town centre vitality and viability. In this context,

1) Whilst the broad area covered by Zone 9 means that someone living in Batley and buying top-up goods in Batley are unlikely to change their shopping patterns to a new top-up store in Birstall, the increased consumer choice offered by a new Sainsbury's in Birstall could have positive impacts on trade retention. Currently, Birstall district centre and the relevant convenience stores only retain 19.7% of the available Zone 9 top-up convenience goods expenditure. As such, the new store could re-capture some of this lost trade by providing additional choice in and around Birstall - in particular because Sainsbury's is not represented in Zone 9, and so brand loyalty is likely to be a factor.

2) Zone 4 housing growth distribution from 2014 – 2031 is expected to be 6.7% (Table 4.4 page 30 [7]). The Zone 9 population is expected to increase by 4% between 2021 and 2031 (Table 4.5 Page 31).

3) Expenditure growth forecasts from the Kirklees Retail Study predict marginal increases in convenience goods expenditure to 2031 (Table 4.6 page 32).

4) The fact that the proposed store would be in a prominent main road location could result in a proportion of its trade arising from pass-by traffic. These passers-by would probably not

[7] Kirklees retail Study

have previously used the existing shopping facilities in Birstall centre, but could help re-capture trade through the possibility of linked trips.

5) In terms of other positive impacts, the relationship between the proposed edge-of-centre development and the town centre is considered to be favourable for linked trips using non-car modes of transport. There are good quality road crossing facilities immediately adjacent to the site, linking the proposed site with Birstall centre.

6) The site also benefits from being within reasonable walking distance of a significant proportion of local residents, thereby offering a sustainable shopping choice.

<u>Conclusions on impact in relation to town centre viability</u>

The detailed analysis confirms that no significant adverse impacts would occur. As pointed out above, the percentage impacts are likely to be on the high / roubust side because 2026 figures for available expenditure and store/centre turnovers have not been used in this case.

As detailed above, the impacts should be viewed in the context of a relatively healthy district centre (Birstall) with low vacancy rates.

The other key issue is that the centre is not dependent on a particular anchor convenience goods retailer for its overall health (with the presence of both Tesco and Co-op convenience stores). The centre is characterised small-scale and largely independent businesses, which collectively are well placed to withstand the impact of the proposed development.

Moreover, there are a number of other retail and non-retail businesses within Birstall centre that the proposed store would not compete with. As such, the centre is less vulnerable as a whole to the predicted changes in shopping patterns.

In particular, the proposals could help claw back a proportion of trade currently lost to other areas, bringing people back to shopping in Birstall who may otherwise not shop in Birstall (currently over 80% of Zone 9 top-up convenience goods expenditure is being leaked to destinations outside of the town according to the Kirklees Retail Study).

In summary, none of the identified impacts are considered to be “significantly adverse” in term of the overall vitality and viability of any town or district centre as a whole, or upon existing / committed town centre investment.

The proposals are therefore considered to accord with NPPF paragraphs’ 90 & 91, in addition to Kirklees Local Plan Policy LP13.

**Robert Halstead Chartered Surveyors & Town Planners**

**June 2022**