

our ref: TR/Q30321
your ref: 16O/1043
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Head of Planning
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By Email

Dear Sir,

FORMER RAYWARE SITE, SPEKE BOULEVARD, SPEKE, LIVERPOOL L24 9HZ
PLANNING REFERENCE 16O/1043

We write on behalf of our client, T J Morris Limited (TJM) (the Applicant), in respect of the above planning application, to provide a response to the points of clarification requested by Liverpool City Council (LCC) (email dated 5th December 2016).

In addition, a response is also provided to the comments made by Asda Stores Limited (letter dated 25th November 2016) and B&M Retail Limited in their most recent correspondence (email dated 22nd November 2016).

Whilst there is some overlap in the points being made by all parties, we deal with each correspondence in turn below.

a) Clarification requested by Liverpool City Council

LCC has requested clarification on five matters in respect of the retail assessment undertaken in support of the application.

i) Trade Draw from Liverpool City Centre

LCC has questioned why the proposal will draw the largest proportion of its comparison trade from the City Centre. In considering this matter our assessment assumes that approximately 37.5% of the proposal's comparison turnover will be derived from the City Centre, reducing to 24.8% after allowing for trade diversion from commitments as part of the cumulative assessment undertaken. Such an assumption is considered wholly realistic given existing shopping patterns, the popularity of the City Centre as a retail destination and the fact that a number of comparable retailers, including existing representation from Home Bargains at Lord Street, Hannover Street, St Johns Centre and Bold Street, are located within the City Centre.

Our analysis submitted in support of the application (Table 3) identified that within the defined catchment, the City Centre is identified to achieve a comparison goods market share of 35% - the single most popular



retail destination for residents within the catchment area. Furthermore, within Zone 4 of the defined catchment (which represents the largest zone in terms of population and retail expenditure) this market share increases to over 41%.

As such, the anticipated trade draw to the proposal from the City Centre is considered wholly realistic. To put this into context, the level of diversion from the City Centre (up to £10.57 million) is very low in comparison to the £172 million of comparison goods expenditure that is being generated in the catchment area and directed to the City Centre by 2021.

In considering this matter, it is also important to highlight that our approach assumes that a higher proportion (47%) of the proposal's comparison turnover will be derived from local facilities within the defined catchment area. This increases to more than 49% for the cumulative impact assessment, whereas the trade draw from the City Centre reduces to 25%.

Against this background the level of diversion from the City Centre is considered realistic and importantly reflective of existing shopping patterns within the local area.

ii) Table 11

It is suggested that there is an error at Table 11 of our revised analysis submitted in August 2016. This is not the case. This table shows the trade diversion from the local centre **after** allowing for the new Tesco on Park Road. Although now trading, the Tesco was considered as a commitment for the purposes of our assessment. As a consequence of this development, the retail turnover post development of the local centre is identified to be significantly higher.

Such an approach is considered reasonable and no adjustment is required to Table 11. The position for Park Road local centre is that the turnover of the new Tesco far outweighs the trade diversion to the proposal.

iii) Convenience Trade Draw

Clarification is requested on the trade diversion from convenience retail destinations, and why a higher trade draw will be derived from facilities further away from the application site than destinations that are closer.

In considering this matter it is important to note that the application is intended to derive trade from throughout the defined catchment (which has not been disputed by GL Hearn) and not just the immediate area surrounding the application site. Using Speke district centre as a proxy (which is acknowledged to be in close proximity to the application site) the table below shows where the district centre currently derives its turnover generated in the catchment area.

Zone 4	Zone 9	Zone 10	Zone 14
24.9%	24.5%	42.0%	8.6%

Source: Table 3 and Table 4

Given existing shopping patterns, it is wholly reasonable to assume that the proposal will also draw trade from throughout the catchment area and not just the area immediately adjacent to the application site as

being suggested. The proposal will also draw trade from throughout the catchment area, and therefore draw some trade from a wide number of retail destinations.

It is therefore misleading to consider distances solely on their proximity to the application site – as being suggested by B&M Retail Limited and Asda Stores Limited. There will be residents elsewhere within the catchment where the application site will be located as close or closer to the destination they may currently chose to undertake their food shopping.

On this basis, our approach has been to consider existing shopping patterns on a zone-by-zone basis in understanding where the proposal will derive its trade from. Such an approach is advocated by the national Planning Practice Guidance.

In undertaking this approach, it is worth highlighting that within the catchment area, the Tesco at Allerton (which is located outside the agreed catchment) is identified to achieve a higher convenience market share than Speke district centre. As such, there is substantial scope to clawback expenditure that is directed to Tesco at Allerton and other similar destinations.

Despite the fact that the evidence indicates that substantial trade is likely to be derived from destinations further afield, our approach¹ assumes that the greatest level of trade diversion from any individual store/centre (22.5%) will be from the existing Asda at Hunts Cross. This store is located within the catchment in very close proximity of the application site. Indeed, almost two-thirds (64%) of the convenience trade draw is identified to be derived from facilities within the catchment area. This does not suggest that our approach in assessing trade draw is unrealistic.

iv) Trade draw from Tesco, Park Road

LCC has requested further clarification on why an assumption that 15% of the convenience turnover of the proposal will be derived from Park Road district centre compared to 7.8% from Speke district centre. Such an assumption was based on the Tesco Park Road store achieving a much higher convenience turnover than Speke district centre (£39 million against £29 million) and the realistic anticipation that a notable proportion of trade will be derived from Zone 4 of the agreed catchment (where the Tesco Park Road store is located) given that more than 48% of the catchment's population falls within this zone.

Both these factors mean that it is reasonable to assume the level of trade identified from the new Tesco at Park Road.

v) Trade diversion from Aldi, Cressington House / Asda, Garston

Clarification is also requested why a higher trade diversion will be derived from the new Aldi at Cressington House when compared to the existing Asda at Garston.

Such an approach has been assumed due to the fact should one of the proposed units be occupied by a foodstore operator this will most likely to be a discount operator, which will compete with comparable

¹ Table 7, Response to LCC (letter dated 18th August 2016)

facilities (e.g. Aldi at Cressington House). This is a very reasonable and realistic assumption given the size of the unit and the demand that is likely to exist for a unit of this size.

b) B&M Retail Limited

B&M Retail Limited (B&M) raise a number of questions that they believe require a response in order for the Council to robustly appraise the application. Whilst a number of these have been addressed in the response above, we provide a further reply to the specific questions raised by B&M in their email dated 22nd November 2016.

i) Why Liverpool should not be included for the Sequential Test

B&M questions our approach of only considering sites within the defined catchment area. Liverpool city centre falls **outside** the defined catchment.

An approach that only considers sites within the defined catchment is well established and has been accepted by GL Hearn in their advice to LCC. Indeed, the approach adopted is entirely consistent with that undertaken in support of planning applications for retail development throughout the City. The intention of the proposal is to improve choice and competition for local residents and encourage more sustainable shopping patterns – in line with the objectives of Government planning policy. Locating the proposal in the City Centre will simply fail to meet the same important objectives of the proposal.

As recognised by GL Hearn (and B&M), Liverpool city centre is located around 30 minute drive from the application site. As such, an alternative location in the City Centre will largely not meet the same need to be met by the proposal.

In addition, as previously highlighted, a number of Home Bargains stores are already located within the City Centre. Locating the proposal in the City Centre will simply duplicate the existing offer. Furthermore, B&M acknowledge that the nature of the proposal means that the proposal will ‘draw overwhelmingly from the immediate local catchment’. Despite this, B&M are suggesting that the approach should be to assess an alternative sites located approximately 30 minutes away from the application. Such an approach is clearly at odds with the role and purpose of the application proposal.

Against this background, we strongly maintain that there is no requirement to consider the City Centre as part of the sequential approach to site selection. Instead, the evidence supports the position that there is a need to improve the retail offer in the local area to encourage more sustainable patterns of shopping. Within the defined catchment, neither the Council (nor their advisors) or B&M indicate that a sequentially preferable site exists.

More fundamentally, significant regenerative benefits will be brought about by developing retail floorspace on part of the former Rayware site including demolition of the existing buildings, site-wide remediation and the delivery of oven ready development plot for future employment (B Class) development. These catalytic effects derived from the proposed retail floorspace are central to the planning case in favour of the proposed development. In short, these benefits would not be realised if the retail floorspace was to be located in the City Centre, or indeed in any other location other than the application site.

ii) Trade Draw from Liverpool City Centre

The level of trade diversion from the City Centre is from expenditure generated by residents in the catchment area (i.e. local area) that are currently choosing to shop in the City Centre rather than from local facilities. It is not expenditure drawn to the proposal from residents who live in the City Centre as B&M seem to suggest.

For a large proportion of residents within the defined catchment they are located significantly closer to the application site than they are to the City Centre. This point is simply not acknowledged by B&M. Given the distance between the City Centre and the application site and existing shopping patterns, this supports the potential to reduce the need for local residents to continue to travel such distances by improving the retail offer locally (as proposed). In this context, the likely trade draw from the City Centre, currently the most popular comparison retail destination for residents in the catchment, is robust.

iii) Impact on neighbouring centres has been understated

B&M believe that it is unrealistic to assume such a high level of trade diversion from the City Centre given the distance between the two destinations and nature of retailing proposed. As a result, B&M consider that the impact on neighbouring centres will increase. Such an approach misunderstands the assessment undertaken.

B&M fail to acknowledge that the vast majority of trade drawn to the proposal will not be from the City Centre, but in fact from the principal destinations within the Catchment Area. Indeed, our assessment identifies that just 22% of the proposal's turnover is identified to be derived from the City Centre compared to 54% from existing destinations within the catchment area.

In terms of the trade draw from other centres, B&M make reference to the trade draw from Hunts Cross shopping centre, in suggesting that the trade draw to the proposal has been underestimated. It is significant to note that the proportion of trade draw from Hunts Cross shopping centre to the proposal (identified to be over 14% for both convenience and comparison goods) reflects the current attraction of this destination for local residents within the Catchment Area and its proximity to the application site. Within the catchment, Hunts Cross shopping centre is identified to achieve a retail market share of 9%, this is less than half the market share of Liverpool city centre (22%).

B&M also question the anticipated trade diversion from convenience retail destinations. Again, reference is made to the distance from the application site to competing provision in justifying their position. As outlined above, the proposal will not only draw trade from residents immediately adjacent to the application site but from within the primary catchment. Therefore, it is incorrect to base the likely trade draw of the proposal on the distance between the application site and competing provision. There will be residents within the catchment that will be located as close as, or closer to the application site than they are to convenience retail destinations they currently use.

For all the above reasons, we maintain that the trade diversion identified is robust.

iv) Impact on Hunts Cross Shopping Centre

B&M question why neither the Council nor GL Hearn consider the impact on Hunts Cross shopping centre is not a concern given Policy GEN5 of Liverpool UDP.

The Liverpool UDP was adopted in 2002 and therefore carries only limited weight, particularly where policies are inconsistent with the NPPF. The UDP (including Policy GEN5) does not define Hunts Cross shopping centre as a defined centre for the purposes of retail planning policy. Indeed, Policy GEN5 (ii) identifies that retail development at established shopping parks (which will include Hunts Cross) will need to consider retail impact and demonstrate that the proposal will not adversely impact on the vitality and viability of the City Centre or district centres.

This position is reflected by Policy S10 of the UDP, which requires proposals for new retail development in shopping parks to satisfy the sequential approach to site selection and the impact test. These policies do not suggest that the shopping park is a protected centre which is consistent with the policy position in the NPPF.

Although the Liverpool Core Strategy is no longer being progressed it does provide an indication of the 'direction of travel' of local planning policy. With regard to the Council's consideration of Hunts Cross shopping park, the Submission Draft Liverpool Core Strategy (2012) was clear in stating (para. 3.52) that:

"The network of centres is supplemented by three out-of-centre retail parks – New Mersey and Hunts Cross to the south of the City in the Speke/Garston area, and Stonedale Crescent to the north east in the Croxteth area." (our emphasis)

Reflecting its out-of-centre status, Strategic Policy 22 sets out the policy requirements for new retail development in out-of-centre locations. Furthermore, although Hunts Cross shopping park (along with New Mersey and Stonedale Crescent) is specifically identified by this policy, it clearly states that:

"These shopping parks, however, are not regarded as "centres" and therefore are not sustainable or priority locations for further development."

Against, this background it is clear that Hunts Cross shopping park, along with other shopping parks in the City are not afforded any policy protection. Consequently, any impact on such retail destinations is not a material planning consideration in the determination of this application, or any other similar proposals. Hence the impact on Hunts Cross shopping park has not been assessed.

c) Asda Stores Limited

Correspondence from Asda Stores Limited (ASL) raises three principal concerns, which relate to: retail impact on existing centres; conflict with established employment policies; and impact on the local highway network. The latter two issues have been fully addressed as part of the application submission, and it is not necessary to address the points in any further detail. Any outstanding issues raised on highways are being dealt with separately.

With regard to retail impact, we address the pertinent issues raised by ASL that have not already been addressed above. For ease of reference, we use the same headings as set out in their correspondence.

i) Impact on Existing Centres / locations protected by the UDP

The impact figures on Garston district centre, Aigburth district centre and Aigburth local centre these are not the impact of the proposal as being suggested by ASL. Instead, these are the identified **cumulative** impact of the proposal and outstanding commitments. The approach of ASL is therefore misleading in stating that the proposal will lead to a significant adverse impact. As illustrated below, the actual impact of the proposal on these centres is significantly lower.

Centre	Impact of Commitments Only	Impact of Proposal	Cumulative Impact of Proposal and Commitments
Garston district centre	-14.0%	-0.6%	-14.6%
Aigburth Road district centre	-9.9%	-1.9%	-11.8%
Aigburth Vale local centre	-13.3%	0.0%	-13.3%

Source: Table 11

It is clear from the above analysis that the impact of the proposal on existing centres is not substantial and does not suggest that the proposal will lead to a significant adverse impact and should be refused as being suggested. The impact of the proposal is limited (1.9% or less). The vast majority of impact on these centres referred to by ASL is as a direct consequence of outstanding commitments, which the local planning authority has already deemed acceptable in granting consent for those development. This particular matter was recognised by GL Hearn in their advice to the Council. It is therefore in this context that the impact of the proposal must be based.

In addition, as indicated in our earlier correspondence (letter dated 18 August 2016), the above impact figures are based on the impossible scenario that all the floorspace of the non-Home Bargains unit proposed will comprise all convenience and comparison floorspace. Clearly, such a scenario is not possible and the actual impacts of the proposal will in fact be lower. This matter is simply not acknowledged by ASL (or B&M).

With regard to the criticism of our approach failing to consider local circumstances, this is not the case. The assessment undertaken in the submitted Planning and Retail Assessment considered the likely trading effects on the key centres taking on board the local circumstances of each. This included site visits, a review of the Council's determination of recent planning applications and consideration of the Council's own evidence base. Based on this approach, it was concluded that the levels of impact identified will not lead to a significant adverse impact. This reflects the conclusions of the Council's own retail consultants (GL Hearn), who themselves would have reached this position taking into account the anticipated trading effects of the proposal and their longstanding extensive knowledge of the local area.

ii) Convenience Goods Impact

The concerns raised by ASL with regard to the trade draw of the proposal have been addressed in detail above, and we believe clear justification has been provided to support our approach.

As we have demonstrated, it is incorrect to base any assessment of trade draw simply on the distance from the application site. The proposal will draw trade from throughout the catchment area (as is currently the case of nearby retail destinations), and a number of these residents currently choose to shop at destinations that may be further away than the application site. Examining shopping patterns on a zone-by-zone basis shows that the identified trade draw is reasonable.

ASL puts forward what they consider to be a more realistic assessment of the likely trade draw of the proposal. Very little justification has been provided to support these assumptions and there is no reason why their assessment should be relied upon. Nevertheless, despite criticising our approach, it is evident that ASL's suggestion of the likely convenience trade diversion from Hunts Cross shopping centre (20%) is **less** than that assumed for our assessment (22.5%²). Furthermore, it seems wholly unrealistic, as being suggested by ASL, to assume that the proposal will derive more trade from Speke district centre given that Hunts Cross shopping park achieves a market share within the catchment area that is more than double that achieved by Speke district centre³. These concerns would suggest that the alternative approach put forward by ASL is not reflective of established shopping patterns. This is equally the case when considering the alternative approach put forward by B&M. As such, the assessment undertaken by ASL does not provide a sound or realistic alternative to our approach.

iii) Comparison Goods Impact

ASL are incorrect in their statement that our assessment assumes that the proposal will draw more of its trade from Liverpool City Centre than surrounding retail locations. Our assessment assumes that less than a quarter (24.8%⁴) of the proposal's turnover will be derived from the City Centre, whereas almost half (c. 49%) will be derived from facilities within the catchment area. For the reasons outlined above such an assumption is wholly realistic given that Liverpool city centre is clearly the most popular retail destination for residents in the catchment area.

d) Further Sensitivity Analysis

Whilst we strongly believe that the approach undertaken provides a sound basis to understand the likely trading effects of the proposal, in light of the comments received we have undertaken additional sensitivity testing based on the following revised assumptions:

- Increasing the comparison goods trade diversion from Speke district centre from 7.5% to 20.0% and from Hunts Cross shopping park from 7.5% to 10.0% and reducing the trade diversion from the City Centre from 36.5% to 22.5% (revised Table 6);
- Increasing the convenience goods trade diversion from Speke district centre from 12.5% to 17.5% and increasing the trade diversion from Hunts Cross shopping centre from 22.5% to 30.0%. As a result, the diversion from Allerton Road district centre is reduced from 12.5% to 5.0% and from Tesco in Allerton, from 7.0% to 2.0% (revised Table 7); and

² Table 7, letter dated 18th August 2016

³ Table 4, letter dated 18th August 2016

⁴ Table 9, letter dated 18th August 2016

- Reducing the convenience trade diversion to the proposal from Aldi, Cressington House (from 12.5% to 5.0%) and from Tesco, Park Road (from 15.0% to 7.5%) (revised Table 10).

This additional analysis has been undertaken for robustness and to further demonstrate that the impacts of the proposal are not significant adverse.

In addition, to provide a more accurate assessment of the likely trading effects of the proposal further analysis is provided based on the impact of the proposal on the overall retail turnover of existing centres based on the development being occupied by Home Bargains and a food operator (Scenario A) and Home Bargains and a non-food operator (Scenario B). As outlined above, the assessment provided to date is extremely robust in that assumes the impossible scenario that all the floorspace of the second unit will be occupied by both a foodstore operator and a non-food operator at the same time.

Details of this revised assessment are appended to this letter. However, the anticipated solus impacts of the proposal are summarised as follows.

Table 1: Solus Impact of the Proposal

Centre	Baseline		Sensitivity	
	Scenario A	Scenario B	Scenario A	Scenario B
Speke district centre	-1.3%	-1.3%	-3.1%	-2.9%
Woolton district centre	-2.9%	-0.7%	-5.3%	-1.7%
Belle Vale district centre	-1.6%	-1.0%	-3.2%	-2.1%
Garston district centre	-0.5%	-0.1%	-1.0%	-0.2%
Aigburth Road district centre	-1.5%	-0.4%	-2.8%	-1.0%
Hunts Cross local centre	-1.3%	-0.6%	-2.6%	-1.3%
Aigburth Vale local centre	0.0%	0.0%	0.0%	0.0%

Even based on the very robust additional analysis, the identified impact of the proposal on existing centres is not 'significant adverse' (the policy test). For example, the impact on Speke district centre (the nearest centre to the application site) remains limited – up to 3.1%. This compares to our previous assessment of up to 2.0%.

This conclusion is reached despite applying very robust sales densities for the proposal, including for the proposed Home Bargains, which are not likely to be reflective of the trading characteristics of the proposal in this location – this further demonstrates the robustness of the approach.

Table 2 repeats the exercise in terms of the likely cumulative impact on the retail turnover of neighbouring centres of the proposal and commitments/recent developments.

Table 2: Cumulative Impact of the Proposal/Commitments

Centre	Baseline		Sensitivity	
	Scenario A	Scenario B	Scenario A	Scenario B
Speke district centre	-2.8%	-2.8%	-4.2%	-3.9%
Woolton district centre	-6.1%	-4.7%	-8.4%	-5.6%
Belle Vale district centre	-4.7%	-4.4%	-6.1%	-5.2%
Garston district centre	-14.4%	-14.1%	-14.8%	-14.2%
Aigburth Road district centre	-10.9%	-10.2%	-12.1%	-10.7%
Hunts Cross local centre	-7.9%	-7.4%	-9.0%	-7.9%
Aigburth Vale local centre	-13.3%	-13.3%	-13.3%	-13.3%

Whilst it remains the case that the cumulative impact increases, as acknowledged by GL Hearn in their retail advice to LCC, these impacts are largely due to other proposals (commitments) that have already been approved rather than the application proposal itself. Indeed, in the case of Garston district centre, whilst the cumulative impact increases to up to 14.8%, the impact of the proposal is just 1.0%. Such an impact is not deemed to be significant adverse.

Both the initial assessment and further analysis provided demonstrates that a robust assessment has been undertaken and its findings in relation to retail impact can be relied upon.

e) Summary

Overall, for the reasons outlined above, together with the additional analysis that has been provided, we maintain the view that the proposal is not likely to lead to a significant adverse impact on either town centre vitality and viability, or in centre investment (the policy test). Consequently, the conclusion reached by GL Hearn in their advice to LCC remains applicable.

It remains that there is no sequentially preferable sites that are available and suitable that can accommodate the development – neither ASL nor B&M put forward an alternative site within the catchment – or that the retail impact will not raise concern. More fundamentally if the retail floorspace proposed is not delivered on the former Rayware site the catalytic regenerative effects of the development will not be realised.

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We trust this additional information and clarification provided is of assistance in the local authority's determination of the application. However, should you wish to discuss any matter further please do not hesitate to contact us.

Yours faithfully,



Tim Rainbird
Director