

Site of the Bridge Inn, Belle Vale, Liverpool

1.1 GL Hearn has been instructed to provide advice in terms of the potential impact of the proposed foodstore at Belle Vale (application ref: 150/1445) on nearby centres. This has been requested as the proposal is subject to a number of objections and it is considered important that Members are made aware of the likely impacts.

1.2 Accordingly this note is limited to the likely impact of the proposal including an estimation of the likely percentage impact/ trade draw.

Scheme Overview

1.3 The submitted Planning Statement identifies that the scheme is proposing the erection of a 1,580 sqm (gross) Class A1 Supermarket and a 120 sqm replacement bookmakers (sui generis) [or, in the event that William Hill opt not to proceed, falling within any of the following Use Classes A1, A2, A3, A4, A5 Or B1(a)]. It goes on to identify that it seems most likely that the unit would be occupied by a discount retailer which is not currently active in the Belle Vale area.

Planning Policy

1.4 The proposal is in an out of centre location, and the applicant should therefore demonstrate compliance with the requirements of NPPF in respect of the sequential approach and impact. With regard to an impact assessment one is not technically required as the proposal falls below the 2500sqm NPPF threshold. However during pre-application discussions I note that the applicant was advised to consider impact given the proximity of the site to Belle Vale Centre and the Morrisons store.

1.5 In respect of impact the applicant has chosen not to undertake an assessment on the basis that the proposal is below 2500sqm.

1.6 Paragraph 26 of the NPPF identifies that impact assessment should consider:

- 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 wider area, up to five years from the time the

application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made.

- 1.7 This is considered further below.

Catchment Area

- 1.8 It is considered that a proposal of this scale would have a catchment extending to an approximate 5 minute drive time. Without mapping this accurately, this would broadly relate to the central and northern section of Zone 10 of the Retail Study catchment plan.
- 1.9 Within the likely catchment the defined centres would include Belle Vale District Centre (0.4 km from the application site) and possibly Woolton District Centre (2 km). Beyond the catchment the closest centres would be Hunts Cross Local Centre, Allerton Road District Centre and Knotty Ash Local Centre. To the North East, in Zone 13, is Huyton in the district of Knowsley.

Impact on Investment in Centre(s) in the Catchment Area of the Proposal

- 1.10 The Planning Practice Guidance explains that when assessing impact upon investment the key considerations are; the policy status of the investment (i.e. whether it is outlined in the Development Plan); the progress made towards securing the investment (i.e. if contracts are established); and, the extent to which an application is likely to undermine the planned development (i.e. its effect on operator demand and investor confidence).
- 1.11 As identified above there are two centres within the likely catchment of the store. It is understood, as part of the sequential site assessment undertaken by the applicants that contact has been made with one of the Agents (Tushingham Moore) for the owners of the shopping centre. It is not clear whether contact has also been made with their other agents, Richard Lucas and Legat Owen. At the time of preparing this note, the Council has not informed GL Hearn of an objection from the owners of Belle Vale Shopping Centre.
- 1.12 As such it would appear that there are no impending investments in the centre which this proposal may potentially frustrate.
- 1.13 In terms of Woolton, GL Hearn is not aware of any potential investment in the centre.

- 1.14 As such the proposal would be unlikely to have a significant adverse impact upon any existing, committed or planned retail investment within any surrounding centres.

Impact on Town Centre Vitality and Viability, including Local Consumer Choice and Trade in the Town Centre and Wider Area

- 1.15 As identified above, the likely catchment of the proposal includes the northern and central parts of Zone 10 of the Retail Study catchment plan. The main foodstores within this zone and the results from the 2015 Retail Study Shopper Survey are identified below:

- 1.16 Zone 10 main shopping patterns;

Store	1 st Choice (%)	2 nd Choice (%)
Asda, Hunts Cross	26.3	4.7
Morrisons, Belle Vale	22.3	7.5
Sainsburys, Woolton	10.6	6.7
Aldi, Gateacre	6.2	6.0

Note: 45% of respondents do not have a 2nd choice store

- 1.17 In addition to the stores identified above, there are a wide range of locations and stores which customers within the likely catchment of the proposal are currently using for main food shopping purposes.

Potential Turnover of the Proposal

- 1.18 It should be remembered that planning permission runs with the land and it is unlikely that the Council could restrict the unit so it could only be occupied by a discount retailer.
- 1.19 As such the potential turnover of the store is presented below on the basis of a discounter and also the potential main foodstore operators (Asda, Sainsburys and Tesco – as Morrisons are already represented in Belle Vale), who all operate stores of this size.
- 1.20 Although impact could be considered over a period of five years, as set out in Paragraph 26 of the NPPF, in order to take a robust position (as expenditure and population growth typically out strips productivity increases and therefore impact reduces over time), this indicative assessment considers impact in 2018. This allows the store to be potentially approved in 2015, construction to

be undertaken in 2016, the store to trade throughout 2017 and steady trading patterns to be established by 2018.

- 1.21 Based on a gross floorspace of 1,580 sqm, the likely unit floorspace would be 1,186 sqm (based on a gross/net ratio of 75%). It would be likely that this would equate to a food floorspace of 949 sqm and a non-food floorspace of around 237 sqm.

- 1.22 Potential discount operator turnover;

Floorspace (sqm)	Turnover (£/sqm)	Trade (£m)
949	6,616	6.28
237	3,078	0.73
Total		7.01

- 1.23 Potential main foodstore turnover;

Floorspace (sqm)	Turnover (£/sqm)	Trade (£m)
949	14,445	13.71
237	7,023	1.66
Total		15.37

- 1.24 As can be seen the proposed turnover of the store can vary and the proposed store's occupation by a discounter could be of the order of 46% lower than if occupied by a main foodstore operator. On this basis a worst case scenario of the impact of a main foodstore is considered in more detail below.

Potential Impact on Trade and Turnover

- 1.25 The allocation of trade has been informed by the Practice Guidance; which states that a common starting point for the exercise is to consider the existing trading patterns within the area in question (as identified above) and to then apportion the trade to be diverted based upon the

character of development ('like affecting like'), popularity (based upon shopper survey results, geographic location (proximity, accessibility) and brand loyalty factors.

- 1.26 When considering these factors, the potential impact of 95% (or £14.6m) of the proposal, allowing for 5% of trade to be 'pass by' from outside of the anticipated catchment is identified further below:

Store/ Centre	Total Impact (£m)	Turnover (£m)	Impact (%)
Belle Vale District Centre	0.9	21.44	4.2
Morrisons, Belle Vale	5.0	39.66	12.6
Sainsburys, Woolton	1.8	27.95	6.4
Woolton District Centre	0.1	17.19	0.6
Tesco, Woolton	1.3	35.60	3.7
Asda, Hunts Cross	1.7	56.56	3.0
Aldi, Gateacre	2.4	29.34	8.2
Tesco, Allerton Road	0.4	60.21	0.6
Asda, Smithdown Road	0.3	54.61	0.5
Asda, Huyton*	0.5	58.74	0.9
Knotty Ash	0.1	31.35	0.3
Sainsburys, Knotty Ash	0.1	25.74	0.4
Tesco, Prescott*	0.1	19.98	0.5
Total	14.6		

Notes: Turnovers based on market share turnover derived from 2015 Draft Retail Study
Tesco, Woolton based on company average turnover.

* only includes trade drawn from the Liverpool area. Total turnover will be higher and therefore impacts lower.

- 1.27 The greatest diversion is anticipated from the Morrisons, Belle Vale at £5.0m (12.6%) as this is the closest store; however it would sell a wider range of food products. In addition to this, it is expected that around £0.9 (4.2%) would be drawn from a range of stores within Belle Vale

Shopping Centre including Iceland, Farmfoods and Subway. The total impact on Belle Vale District Centre is anticipated to be £5.9m which equates to an impact of 9.7%.

- 1.28 Belle Vale is a relatively healthy centre, which adequately serves the local area. It is predominantly a large managed shopping centre, which is a generally pleasant shopping environment and home to a number of the national retailers such as Boots and Wilkinsons. The centre also has relatively low vacancy rates. Adjacent to the shopping centre is the Morrisons store which supports footfall to the centre. The proposal also offers the potential to claw some trade from surrounding stores, which may provide some compensatory benefits to Belle Vale District Centre. Nevertheless this level of impact would be highly unlikely to cause the closure of any store within Belle Vale District Centre and as such cannot be considered significantly adverse.
- 1.29 There would be lower levels of trade drawn from Woolton (£1.9m) which equates to an impact of 4.2%. It should be noted that the largest of these impacts is a £1.8m diversion from Sainsburys, Woolton. From the remainder of the centre, the draw will be low at around £0.1m. Overall these diversions cannot be considered a significant adverse impact on the centre as a whole.
- 1.30 There is also an Aldi on Gateacre Park Drive, in close proximity to the proposed store. This would be a similar scale to the proposal and would therefore carry a similar range of products. The result of the 2015 market share turnover indicates that this Aldi is trading well in excess of company average levels. Given its location, trading performance and its similar scale to the proposal, it is expected that the diversion from this store would be anticipated to be £2.4m. Notwithstanding the strong trading position of this store, Gateacre is not a defined centre so is not afforded any form of Policy protection. Nonetheless, this trade diversion could not be considered significantly adverse.
- 1.31 Elsewhere the trade diversions are dispersed amongst a wide range of stores and centres, none of which could be considered significantly adverse.
- 1.32 What is presented above is an indicative impact on the proposed foodstore, were it to be occupied by a main foodstore. As identified above, these impacts are the worst case scenario and if the store were to be occupied by a discounter, as suggested in the application submission, then the following impact on Belle Vale could be expected:

Store/ Centre	Total Impact (£m)	Turnover (£m)	Impact (%)
Belle Vale	0.4	21.44	1.9
Morrisons, Belle Vale	2.3	39.66	6.0
Total	2.7	61.10	4.4

- 1.33 A diversion of only 4.4% across the entire centre could not be considered significantly adverse for the purposes of paragraph 26 of the NPPF.

Summary and Conclusions

- 1.34 GL Hearn has been instructed to provide some advice in terms of the potential impact of the proposed foodstore at Belle Vale on nearby centres. This has been requested as the proposal is subject to a number of objections and it is considered important that Members are made aware of the likely impacts.
- 1.35 The likely catchment of the store would broadly relate to the central and northern section of Zone 10. Within the likely catchment, the defined centres would include Belle Vale District Centre (0.4 km from the application site) and possibly Woolton District Centre (2 km).
- 1.36 It is understood that there are no potential investments in either Belle Vale or Woolton, therefore the proposal could not have a significant adverse impact on any existing, committed or planned retail investment within any surrounding centres.
- 1.37 In terms of the impact on trade and turnover, the Shopper Survey results identify that there are a range of foodstores which potential customers in this area are currently using.
- 1.38 The potential turnover of the store could be £15.37m, but could be lower (£7.01m) were it to be occupied by a discounter, as suggested in the submission.
- 1.39 The potential impact of a main foodstore has been considered and the largest trade diversion would be from the Morrisons in Belle Vale (£5.0m), along with £0.9m from the remainder of the

shopping centre. This equates to an overall impact on Belle Vale District Centre of 9.7%, which could not be considered significantly adverse.

- 1.40 There would also be some trade diversion from Woolton, but at 4.2%, this impact could not be considered significantly adverse.
- 1.41 Elsewhere the trade diversions are dispersed amongst a wide range of stores and centres, none of which could be considered significantly adverse.
- 1.42 Furthermore, if the proposal were to be occupied by a discount operator, then the levels of impact would be lower.